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D. Alexander Brown
226 Mumford Hall



FACULTY LETTER

FROM THE OFFICE OF THE PRESIDENT · UNIVERSITY OF ILLINOIS

No. 223, October 29, 1971

Trustees Approve Operating Budget for 1971-72

The Board of Trustees, meeting on the Urbana-Champaign Campus October 20, approved the annual operating budget for the University for 1971-72 upon the recommendation of President John E. Corbally, Jr. This was his presentation to the Board:

The budget for the fiscal year beginning July 1, 1971, is submitted herewith, including recommendations for: (a) academic and administrative appointments beginning September 1, 1971; and (b) appointments to the nonacademic personnel staff beginning July 1, 1971. Authorization to pay salaries and wages for nonacademic and academic personnel for the month of July and subsequent payrolls was granted by the Board of Trustees on June 16, 1971, and July 21, 1971.

The funds appropriated by the Seventy-seventh General Assembly to the University of Illinois for all purposes for FY 1972 are summarized, with comparative figures for FY 1971.

The budget has been prepared by the Executive Vice President and Provost and the Vice President and Comptroller, based upon recommendations of: (a) the Chancellors at the three campuses (after consultation with their respective deans, directors, and other campus administrative officers); and (b) general University officers concerning the budgets for University-wide offices. The allocation of funds follow policies and assignments recommended by the University Budget Committee¹ during the preparation of the University's FY 1972 budget request.

Submitted herewith is the budget document containing: (a) a Condensed Analysis, which outlines the income anticipated for fiscal year 1972 and describes the changes in the budget; (b) Schedules A through I, which contain summaries of income and appropriations for the entire University and budget totals by major categories for each campus; and (c) summaries for each college or other major administrative unit. Also submitted are four supplemental volumes (two for Urbana-Champaign and General University units, and one

¹ University Budget Committee: Lyle H. Lanier, Executive Vice President and Provost, *Chairman*; William F. Sager, Professor of Chemistry and Head of the Department (Chicago Circle); Joseph S. Begando, Chancellor at Medical Center Campus; E. Joe DeMaris, Professor of Accountancy and Head of the Department (Urbana-Champaign); H. O. Farber, Vice President and Comptroller; Morris S. Kessler, Assistant Comptroller (Staff Associate); Warren B. Cheston, Chancellor at Chicago Circle Campus; Jack W. Peltason, Chancellor at Urbana-Champaign Campus; Alexander M. Schmidt, Professor of Medicine and Dean of The Abraham Lincoln School of Medicine (Medical Center); Martin L. Zeigler, Associate Provost and Director of Institutional Studies (Staff Associate).

each for the other campuses) presenting budget details for departments, divisions, and other operating units.

I recommend that this budget, covering the allocation of the presently estimated operating income from all sources for the year beginning July 1, 1971, be approved by the Board, and that the President of the University be authorized, in accordance with the needs of the University and the equitable interests involved, and within total income: (a) to accept resignations; (b) to make such additional appointments as are necessary subject to the provisions of the *University Statutes* and the *Policy and Rules-Nonacademic*; and (c) to make such changes and adjustments in items included in the budget as are needed. All such changes are to be covered in the Vice President and Comptroller's quarterly financial reports, or in reports to the Board by its Secretary.

Condensed Analysis of 1971-72 Annual Budget for Operations

SUMMARY OF INCOME²

General Income (\$182,241,629). For the general operations of the University of Illinois for the fiscal year 1972, the Seventy-seventh General Assembly of the State of Illinois appropriated a total of \$195,707,642. Using the power granted by the 1970 Constitution, the Governor reduced the appropriations to \$182,241,629. The General Assembly can restore any line item to the amount originally approved by it, and the Board of Trustees is asking the General Assembly to restore the Personal Services item, which would add \$5,839,672 to the total appropriations. All figures in this budget are based on the appropriations as reduced by the Governor. If the reduction in the Personal Services item is restored, supplemental recommendations will be submitted to the Board of Trustees for the allocation of these funds for salary-rate increases.

The appropriated funds include \$158,158,200 from general tax revenues, \$22,900,000 from the University's own income and \$1,183,429 from the Agricultural Premium Fund. These funds are shown as General Income in Schedules A and D, and they may be allocated by the Board of Trustees for such purposes as the Board approves.

Restricted and Institutional Income (\$126,945,300). There are certain other funds for operations that are handled through the University Treasurer and that are included in the University's annual budgets as Restricted and Institutional

² Not included in this operating budget are funds appropriated by the General Assembly for new buildings, other capital improvements, and rentals to the Illinois Building Authority.

Income. Restricted funds, all earmarked for special purposes, include gifts, grants, contracts, endowment income, appropriations from the Federal Government, and income earned by the University from auxiliary activities (housing, union buildings, bookstores) and other self-supporting operations. The estimated total of such restricted funds for 1971-72 is \$117,945,300. Institutional funds amounting to \$9,000,000 are appropriated from Contract Research Reserve (funds received as indirect cost reimbursement on grants and contracts). These funds are budgeted primarily to meet the indirect costs allocable to the operations supported by these non-State funds — at all levels of University organization.

Total Income (\$309,186,929). The overall total of General, Restricted, and Institutional Income for 1971-72 is \$309,186,929, as compared to \$311,385,456 for 1970-71. The difference of \$2,198,527 represents a decrease of 0.7 per cent. The following figures show the State and non-State components of these totals:

	1970-71		1971-72	
	Amount	Per Cent	Amount	Per Cent
State Tax Funds	\$168,157,756	54.0	\$159,341,629	51.5
Non-State Funds	143,227,700	46.0	149,845,300	48.5
Total	\$311,385,456	100.0	\$309,186,929	100.0

Thus, there has been a decline of \$8,816,127 (5.24 per cent) in State tax support for the University of Illinois in 1971-72 from \$168,157,756 in FY 1971 to \$159,341,629 in FY 1972. (This decrease has been partially offset by an estimated increase in University income, mainly from three sources: (1) increased enrollments; (2) continuation of the January, 1971, tuition increase for a full year; and (3) the use of prior years' income fund balances.)

SUMMARY OF BUDGET RECOMMENDED

The following are the budget totals recommended for 1971-72, with comparable figures for 1970-71:

	Revised 1970-71	Proposed 1971-72	Change
From General Income	\$186,275,271	\$182,091,629	-\$4,183,642
From Restricted and Institutional Income	125,009,600	126,945,300	1,935,700
Total Budgeted	\$311,284,871	\$309,036,929	-\$2,247,942
Unappropriated Balance from General Income	\$ 100,585	\$ 150,000	\$ 49,415

President's Statement on Budget Considerations Presented to Board

In regard to the University's 1971-72 operating budget reported above, President Corbally submitted this statement to the Board of Trustees at its October meeting:

Before turning to your discussion, I wish to make one other comment upon this budget. As I noted earlier, there are no funds within this budget for general salary increases. Following the failure of the effort to override the Governor's reductions in our personal services appropriation, we began to seek other alternatives which might provide salary increases with minimum further damage to our programs. There are no easy solutions and there are no solutions which do not create new problems for the 1973 budgets. But we must find a way to at least partially remedy the salary inequities which have been imposed upon our staff.

There are now at least two new proposals before the General Assembly to deal with this problem. I issued the following

comments on October 18, and I will repeat them here today for they speak to a matter of the utmost urgency.

We are highly gratified to learn of the continuing interest of representatives of both political parties in Springfield in finding funds for salary increases at the University of Illinois for the current year.

It is clear that any favorable action by the General Assembly to provide such funds must have bipartisan support. It is essential to the continuing quality of the University of Illinois that all concerned reach agreement on a course of action that will make funds available to permit salary increases averaging at least 5 per cent for the remainder of the year, beginning December 1. The administrative officers of the University and the Trustees will work assiduously to promote such agreement.

JOHN E. CORBALLY, JR.
President

Trustees Approve Request for Operating Appropriations for FY 1973

The Board of Trustees at its October meeting, upon the recommendation of the President, approved the request for operating appropriations for fiscal year 1973 and authorized the President to submit the request to the Illinois Board of Higher Education and to the appropriate State offices.

Here is the President's presentation to the Board and an excerpt and summary from the document:

The attached document presents recommendations for increases in the University's appropriations for operations during

FY 1973. These proposals have been prepared by the Executive Vice President and Provost and the Vice President and Comptroller, in the light of requests submitted by the three Chancellors and in consultation with the University Budget Committee.

The document was completed prior to the failure of the Senate of the General Assembly on October 14, 1971, to restore the Governor's reduction in personal-services funds for FY 1972 to the level originally appropriated to the University in Senate Bill 717. As a result, one of the important premises on which the attached appropriation request for FY 1973 was

based has been invalidated, namely: the assumption that the sum of \$5,839,672 for salary increases would be added to the appropriations already approved for FY 1972, and that the increased total would be used as a "base budget" to which the proposed increases for FY 1973 could be added in arriving at the total request for operations next year.

The failure to secure these additional salary-increase funds for use this year will require changes in the total given in Schedule A for FY 1972 appropriations from \$188,081,301 to \$182,241,629 (the amount in Senate Bill 717 as approved by the Governor). Changes will also be required in the amounts included in Schedule A and in Section IV on salary increases. It is recommended that approval be given to the following guidelines to the revision of these salary-increase figures:

1. That increases averaging 6 per cent above the rates for FY 1972 be requested for academic and for non-academic staff members. Based upon the revised appropriations total for FY 1972, it is estimated that the following amounts would be substituted for the corresponding figures in Schedule A:

a. Academic increases (general funds)	\$5,401,200
b. Nonacademic increases (general funds)	3,472,034
c. Agricultural Premium Fund.	62,815
Total	\$8,936,049

(These amounts would be adjusted to conform with whatever revisions in the FY 1972 salary base might be made.)

2. That funds for supplemental increases in FY 1973 be requested for the purpose of offsetting the lack of salary increases in FY 1972 — up to a limit of 5 per cent on an annual basis and subject to the wage-price guidelines in effect after November 14, 1971.

With such revisions, it is recommended that the President be authorized to submit the attached appropriation request to the Board of Higher Education and to the appropriate offices of State Government.

Here is an excerpt from the introduction to *Request for Operating Appropriations, Fiscal Year 1973*, commenting on the relationship of appropriation requests to the question of the financial condition of the State:

The financial condition of the State in FY 1973. Representatives of the Bureau of the Budget and staff members of the Board of Higher Education have issued quite pessimistic forecasts regarding the State's ability to provide increased support for higher education in FY 1973. It has been strongly emphasized that higher education as a whole should not expect appropriation increases for next year significantly higher than those for the current year.

The University is in no position to estimate what the tax revenues of the State will be in 1972-73 — a responsibility which the new Constitution assigns to the General Assembly and to the Governor — with the following limitation: "Appropriations for a given year shall not exceed funds estimated by the General Assembly to be available during that year" (from Article VIII, Section 2(b)). What the University can do, and believes that it should do, is to submit to the responsible agencies of State Government its best estimates of the support the University would require in FY 1973 in order to discharge its educational obligations to the State as it sees them. That is what the present document attempts to do. The General Assembly and the Governor must determine how

the total amount of available State revenue should be distributed among the agencies and institutions that are dependent upon the State for support. The University hopes that a relatively higher level of funding can be provided for higher education in FY 1973 than the Governor has approved for the present year — and especially that the sharp reduction in State tax support for the senior public institutions can be rectified. (The four systems of senior institutions have thus far received some \$16.3 million less in general-revenue appropriations for FY 1972 than they had in FY 1971 — a cut of 4.6 per cent, for the benefit primarily of the private institutions and the junior colleges.)

It should be strongly emphasized that the University's position in this matter in no sense implies indifference to the financial condition of the State or insensitivity to the claims of other agencies and institutions to State support. The point simply is that the University must limit its responsibility to the determination of what educational programs it thinks it should offer in order to meet the State's needs and to the estimation of what such programs would reasonably require in State appropriations. If the funds requested cannot be provided, the University would try conscientiously to make the necessary adjustments in programs so as to minimize the adverse effects upon the institution and its educational services to the people of Illinois.

II. Summary of the FY 1973 Appropriation Request for Operations

The University's appropriation needs for FY 1973 can be understood better in the light of a brief review of the present status of FY 1972 appropriations. Hence, a comparison of the latter figures with the corresponding totals for FY 1971 will be shown first — followed by a summary of the FY 1973 request.

APPROPRIATIONS FOR THE CURRENT YEAR (FY 1972)

The following figures show (a) the University's appropriations for FY 1971 operations by source of funds and (b) corresponding figures for FY 1972 as approved, respectively, by the Board of Higher Education, the General Assembly, and the Governor.

The figures for regular operations show that the total thus far appropriated for FY 1972 is lower in the net amount of about \$1.9 million than that for FY 1971. But the total approved by the Governor should be viewed in terms of two components: (a) a decrease of \$3.9 million (2.16 per cent) below the FY 1971 level for all continuing operations except the new or expanded programs in the health fields; (b) an increase of \$2.0 million in funds earmarked for expansion in the health fields.

Although the net reduction in appropriations for FY 1972 is only \$1.9 million, the figures in the preceding table show a cut of \$6.7 million in general-revenue appropriations (from \$159.6 million in FY 1971 to \$152.9 million in FY 1972). (This is the University's share of the total reduction of \$16.3 million in State tax support for the four senior systems of higher education referred to in the Introduction.)

As already noted, the University hopes that a total of \$5.8 million in general-revenue funds can be added to the amount approved by the Governor, in order to provide general salary and wage increases averaging about 4 per cent on an annual basis above the FY 1971 level. This additional sum will be included in the base budget assumed for FY 1972, to which

Source of Funds for Operations	FY 1971 Appropriations	FY 1972 Appropriations (S.B. 717)		
		Recommended by the BHE	Passed by the General Assembly	Approved by the Governor
<i>Regular Operations</i>				
General Revenue.....	\$159,661,233	\$172,041,877	\$164,027,672	\$152,900,000
University Income.....	18,218,100	27,290,000	22,900,000	22,900,000
Agricultural Premium Fund.....	1,021,700	1,166,719	1,161,129	1,161,129
Subtotal.....	(\$178,901,033)	(\$200,498,596)	(\$188,088,801)	(\$176,961,129)
<i>Retirement Contributions</i>				
General Revenue.....	7,391,323	24,307,000	7,586,665	5,258,200
Agricultural Premium Fund.....	83,500	106,721	32,176	22,300
Subtotal.....	(\$ 7,474,823)	(\$ 24,413,721)	(\$ 7,618,841)	(\$ 5,280,500)
Total, Operations.....	\$186,375,856	\$224,912,317	\$195,707,642	\$182,241,629

the increases requested for FY 1973 will be added in order to derive the total appropriation request for the next fiscal year.

SUMMARY OF THE FY 1973 REQUEST FOR OPERATIONS

The University is requesting a total of \$216,337,667 in State appropriations to support its operations in FY 1973. A summary of the appropriation request is shown in Schedule A below — including the budget total for FY 1972 and a classification of the increases sought for FY 1973.

As Schedule A indicates, FY 1972 appropriations at present total \$182,241,629, but, as just noted, the University hopes this amount can be increased by \$5,839,672 for salary increases through the restoration of a reduction made in S.B. 717 by the Governor. It will be assumed in this document that these additional funds will be provided. Hence, the appropriation total for FY 1972 would become \$188,081,301.

The increases requested for FY 1973 total \$28,256,366, which would represent an addition of 15 per cent to the assumed FY 1972 base budget. This total does not include any increase for retirement contributions, pending clarification of the guidelines to be followed by the State-supported institutions regarding such requests.

It is interesting to compare the total amount for FY 1973 operations shown in Schedule A with that derived by following the guidelines issued by the staff of the Board of Higher Education. The following are the relevant figures:

	University — Schedule A	BHE Staff's Guidelines
FY 1972 "base" (including retirement contributions)	\$188,081,301	\$187,975,892
Increases for FY 1973 (omitting any increase in retirement contributions)	28,256,366	32,161,982
Total	\$216,337,667	\$220,137,874

Thus, following the BHE staff's guidelines resulted in an estimated total for FY 1973 operations that is higher by the sum of \$3,800,207 than the amount proposed by the University. It should be emphasized, as Schedule A shows, that the University's FY 1972 "base budget" includes the sum of \$5,839,672 which it seeks to have added to its current appropriations; and, even with this addition, the University's FY 1972 base is approximately the same as the base derived from following the Board of Higher Education guidelines (which do not use the FY 1972 appropriations as a base).

SCHEDULE A — SUMMARY OF FY 1973 APPROPRIATION REQUEST FOR OPERATIONS

A. Appropriations for FY 1972

General Revenue	\$158,158,200
University Income	22,900,000
Agricultural Premium Fund.....	1,183,429
Subtotal (S.B. 717 as approved by Governor).....	(\$182,241,629)
Restoration sought in S.B. 717 (General Revenue)	5,839,672 ¹
Total, FY 1972 Appropriations Sought	\$188,081,301

B. Increases for FY 1973

1. Increased Enrollment	\$ 5,237,002
2. Salary-rate Increases (6 per cent).....	10,781,377
a. Academic (\$5,665,980)	
b. Nonacademic (\$3,642,254)	
c. Agricultural Premium Fund (\$62,815)	
d. Annualization of FY 1972 Increases (\$1,410,328)	
3. Plant Operation and Maintenance.....	3,011,589
4. Price Increases (includes \$7,650 from the Agricultural Premium Fund).....	1,768,611
5. Refunds.....	13,780
6. New and Improved Programs.....	7,444,007
7. Retirement Contributions .....	.....²
Total, Increases (FY 1973 Operations)	\$ 28,256,366

C. Total FY 1973 Request for Operations

1. Appropriations sought for FY 1972.....	\$188,081,301
2. Increases for FY 1973.....	28,256,366
Total, FY 1973 Request.....	\$216,337,667

D. Sources of FY 1973 Funds

General Revenue	\$194,993,773
University Income	20,080,000
Agricultural Premium Fund.....	1,263,894
Total, FY 1973 Request.....	\$216,337,667

¹ The sum of \$5,839,672 is the amount by which the Governor reduced the "Personal Services" item in S.B. 717. The University seeks to have this sum restored by the General Assembly, in order to make salary increases for staff members this year. The annual cost of such increases is \$7,250,000, and the difference appears as item B2d.

² No increase for retirement contributions is being proposed at this time — pending clarification of the guidelines to be followed regarding such requests.

**SCHEDULE B — SUMMARY OF FY 1973 BUDGET INCREASES
REQUESTED FOR NEW PROGRAMS, PROGRAM IMPROVEMENT,
AND OTHER SPECIAL PURPOSES**

<i>Campus, Budget Category, and Program</i>	<i>Amount Requested</i>
CHICAGO CIRCLE CAMPUS	
<i>New Programs</i>	
1. College of Urban Sciences.....	\$ 217,640
2. Doctor of Arts Degree.....	122,026
3. Ph.D. Degree in Engineering (Information Systems and Bioengineering).....	39,056
4. Urban Systems Engineering Laboratory.....	56,450
5. "Project Small Business" (minority-group oriented).....	24,500
Subtotal	(\$ 459,672)
<i>Program Improvement and Expansion</i>	
1. Program for Teachers of Exceptional Children	26,940
Subtotal	(\$ 26,940)
<i>General Campus Programs</i>	
1. Educational Assistance for Disadvantaged Students (four special programs).....	183,090
2. Library Improvement	430,896
3. Campus Security	119,300
Subtotal	(\$ 733,286)
Total, Chicago Circle Campus.....	\$1,219,898

MEDICAL CENTER CAMPUS

<i>New Programs</i>	
1. Urbana-Champaign School of Basic Med- ical Sciences	\$ 41,800
2. Peoria School of Medicine.....	632,500
3. Rockford School of Medicine.....	731,100

4. Metropolitan Chicago Group of Affiliated Hospitals	329,400
5. School of Public Health.....	379,900
Subtotal	(\$2,114,700)

<i>Program Improvement and Expansion</i>	
1. The Abraham Lincoln School of Medicine..	641,500
2. College of Dentistry.....	511,200
3. Community-health Program	176,800
4. Division of Services for Crippled Children..	586,969
Subtotal	(\$1,916,469)

<i>General Campus Programs</i>	
1. Library of Health Sciences.....	381,000
2. Educational Assistance for Disadvantaged Students	177,800
3. Campus Security	130,100
Subtotal	(\$ 689,200)
Total, Medical Center Campus.....	\$4,720,369

URBANA-CHAMPAIGN CAMPUS

<i>New Programs</i>	
1. Training for Community Service.....	\$ 311,630
2. Environmental Studies Program.....	142,900
3. Housing Research and Development.....	65,500
Subtotal	(\$ 520,030)

<i>Program Improvement and Expansion</i>	
1. Clinical Staff for the College of Veterinary Medicine	407,000
2. Computer-based Education Research Laboratory (PLATO IV).....	180,000
Subtotal	(\$ 587,000)

<i>General Campus Programs</i>	
1. Campus Security	196,710
2. Afro-American Programs	200,000
Subtotal.....	(\$ 396,710)
Total, Urbana-Champaign Campus...	\$1,503,740
UNIVERSITY TOTAL	\$7,444,007

Board Requests Study of Student Disciplinary Processes

In response to a request from the Board of Trustees for a study of the student discipline procedures at the University, President Corbally sent the following letter to the three Chancellors:

October 4, 1971

CHANCELLOR WARREN CHESTON
CHANCELLOR JOSEPH BEGANDO
CHANCELLOR J. W. PELTASON

GENTLEMEN:

This letter will summarize the conclusions reached in our discussions of an appropriate response to the request of the Board of Trustees that "the administration develop recommendations for a new procedure for handling student disciplinary cases."

Under current University of Illinois Statutes [Chapter II, Section 6 (h)], responsibility for student discipline procedures has been delegated to a Committee on Student Discipline on each campus. The Committee is elected by each Senate. The

Board's request implies dissatisfaction with current procedures, but I do not believe that meeting the request requires the immediate removal of jurisdiction from the three Committees.

In addition, I believe we must recognize that there are at least four classes of student discipline problems and that each class may require the application of different procedures. These classes are:

1. Mass disruptions or demonstrations.
2. Violations of academic rules and regulations.
3. On-campus violation of civil laws or of "regular" University rules and regulations; i.e., parking violations.
4. University action toward those charged with or convicted of the off-campus violation of laws or of off-campus rules or regulations.

Present student disciplinary processes on our campuses and on many others are inadequate. A number of problems are cited:

1. The processes are not timely; hearings are slow and action is too far removed from the event.
2. The processes require "colleague-against-colleague"

proceedings which have only rarely been viewed as effective either by the participants or by observers.

3. The processes may be unduly expensive of time and of money.
4. The processes tend to obscure the needs of the group (the University community) while emphasizing the rights of the individual.
5. The processes often lead to great attention to interpretations of rules and little attention to the application of rules. Judicial processes tend to overlap and often to interfere with the legitimate policy processes which they are to protect.

Other difficulties could be cited. It would be less than frank to ignore the widely-held feeling that current University student disciplinary procedures rarely, if ever, produce disciplinary action even when all those involved are fully aware of technical and real violations of University regulations. This feeling — which has some degree of truth in it — cannot lead to efforts to produce a system which always returns findings of "guilty." Nonetheless, it is a claim which requires analysis.

I would ask, then, that each of you put this matter immediately before the Committee on Student Discipline on your campus and before any other formal or informal group as you feel appropriate. On or before November 5, 1971, I ask that each of you forward to me the results obtained on your cam-

pus of a study of the responsibilities of the University toward discipline problems in each of the classes mentioned above, the effectiveness of the procedures currently used to meet these responsibilities, and any recommendations for changes in responsibilities and/or procedures. I will make a progress report to our Board on November 19, 1971, and will work with you and others to create final recommendations for consideration at the December meeting of the Board.

Each of you heard the discussion of this matter by Board members in September and recognizes the seriousness with which we must approach this task. I hope you will convey this sense of urgency to your Committees. I will await your reports.

JOHN E. CORBALLY, JR.
President

NOTE: Acting on a request from the Urbana-Champaign Senate, the President extended the above procedure thirty days as follows:

- Reports due from Chancellors — December 5, 1971
- Progress report to Board of Trustees — December Board meeting
- Final recommendations to be presented at the January meeting of the Board

From the President's Report on Selected Topics of Current Interest

PREPARED FOR THE UNIVERSITY OF ILLINOIS BOARD OF TRUSTEES MEETING
AT THE URBANA-CHAMPAIGN CAMPUS, WEDNESDAY, OCTOBER 20, 1971

CITIZENS COMMITTEE HOLDS MEETINGS IN CHICAGO, PEORIA

Members of the Chicago and the West Central Regions of the University of Illinois Citizens Committee met September 22 and October 15 in Chicago and in Peoria with approximately 250 involved. Trustee President Earl M. Hughes, Woodstock, chaired the Chicago meeting and Trustee Timothy W. Swain, Peoria, presided at the West Central session. President John E. Corbally, Jr. spoke at both meetings and participated in question and answer sessions. Additional meetings will be held at Mattoon and Mt. Vernon October 28 and November 11, respectively.

UNIVERSITY SECOND IN NATION IN ALUMNI GIFTS TO PUBLIC INSTITUTIONS

An analysis of voluntary support of higher education ranks the University of Illinois second among public institutions nationally in value of gifts received from alumni. The eleventh annual Council for Financial Aid to Education survey, covering fiscal 1969-70, reported the University's total for funds given by graduates and other former students at \$3,647,369, close behind top-ranking University of Kansas, \$3,874,871.

In total voluntary support among state universities, Illinois ranked fifth with \$9,824,696, headed only by the Texas and California systems, Michigan, and Wisconsin. The University was sixth among public institutions in contributions received from business and corporations with \$2,207,004. Leaders were Michigan, Wisconsin, the Texas and California systems, and Purdue.

The 14,000 individual contributors to the University of Illinois Foundation's annual fund placed the University ninth among public institutions in that category.

The survey, co-sponsored by the American Alumni Council and the National Association of Independent Schools, reported a 1.1 per cent decrease in voluntary support to United States colleges and universities, reversing a growth trend that for more than a decade has averaged more than 9 per cent annually.

UNIVERSITY PUBLIC HEALTH NURSING PROGRAM OUTLINED AT REGIONAL MEETING

A report on the University of Illinois statewide continuing education program for public health nurses was presented at the Midwest Continuing Professional Education for Nurses meeting in St. Louis, October 1. Professor Helen Hotchner, Department of Public Health Nursing, University of Illinois at the Medical Center, Chicago, outlined the program which is supported by annual grants from the Illinois Department of Public Health. MCPEN membership includes eight state nurses' associations and twenty-three universities and colleges from eight states.

MEDICAL EXPANSION MARKS MILESTONES: TWO SCHOOLS OPEN THIS FALL

The extensive expansion program of the University of Illinois College of Medicine marked two milestones in September with the opening of the School of Basic

Medical Sciences at the Urbana-Champaign Campus and the Peoria School of Medicine.

Dr. Daniel K. Bloomfield, dean, welcomed the first class of sixteen to the school at Urbana-Champaign. The students, who already have a college degree and premedical training, are designated as beginning doctors and progress primarily at an individual rate for the year. After completing the one-year school, the beginning doctors will go to a school of clinical medicine in a three-year program through which the University is cutting one or more years from the training time of physicians by integrating medical education and internship.

Twenty students are enrolled in the first class of the three-year Peoria School of Medicine. Dr. Nicholas J. Cotsonas, Jr. is dean. A similar clinical school will open in Rockford in the fall of 1972, where Dean Robert L. Evans is now organizing a faculty. Others are proposed for additional population centers in the state.

Initial reorganization of the College of Medicine had been to divide the traditional structure into the first School of Basic Medical Sciences, with Dr. Truman O. Anderson as dean, and the first three-year clinical school, The Abraham Lincoln School of Medicine, with Dr. Alexander M. Schmidt as dean.

INTERNATIONAL WORKSHOP ON EDUCATIONAL PLANNING AT MEDICAL CENTER

The University of Illinois at the Medical Center, Chicago, hosted an international workshop, "Educational Planning for the Health Professions," October 4-8. Some forty teaching physicians, medical school deans, and administrators from fifteen states, the District of Columbia, and three foreign countries participated in the program which was conducted by staff from the Center for Educational Development, headed by Dr. George E. Miller, director.

FOUNDATION MEETS AT URBANA-CHAMPAIGN; J. B. LANTERMAN PRESIDENT

The annual meeting of the University of Illinois Foundation brought nearly 150 members of the organization to the Urbana-Champaign Campus October 1-2. Joseph B. Lanterman, Mundelcin, Chairman of the Board and Chief Executive Officer of Amsted Industries, Inc., Chicago, was elected to a one-year term as president; Lee L. Morgan, Peoria, Executive Vice President and Director of the Caterpillar Tractor Company, was named vice president.

Elected to three-year terms on the foundation's eighteen-member board of directors were David F. Lino-

wes '41, New York, national partner in the accounting firm of Laventhol Krekstein Horwath & Horwath; Thomas A. Murphy '38, Detroit, Group Vice President of General Motors Corporation; and H. Gerald Nordberg '25, of the investment firm of Dean Witter & Company, Chicago.

Gifts, bequests, and other foundation receipts totaled \$3,116,888 for the fiscal year ending June 30, according to University Vice President and Comptroller H. O. Farber, foundation treasurer. This was a \$209,500 increase over the preceding year.

(From the President's Report for the September meeting of the Board of Trustees.)

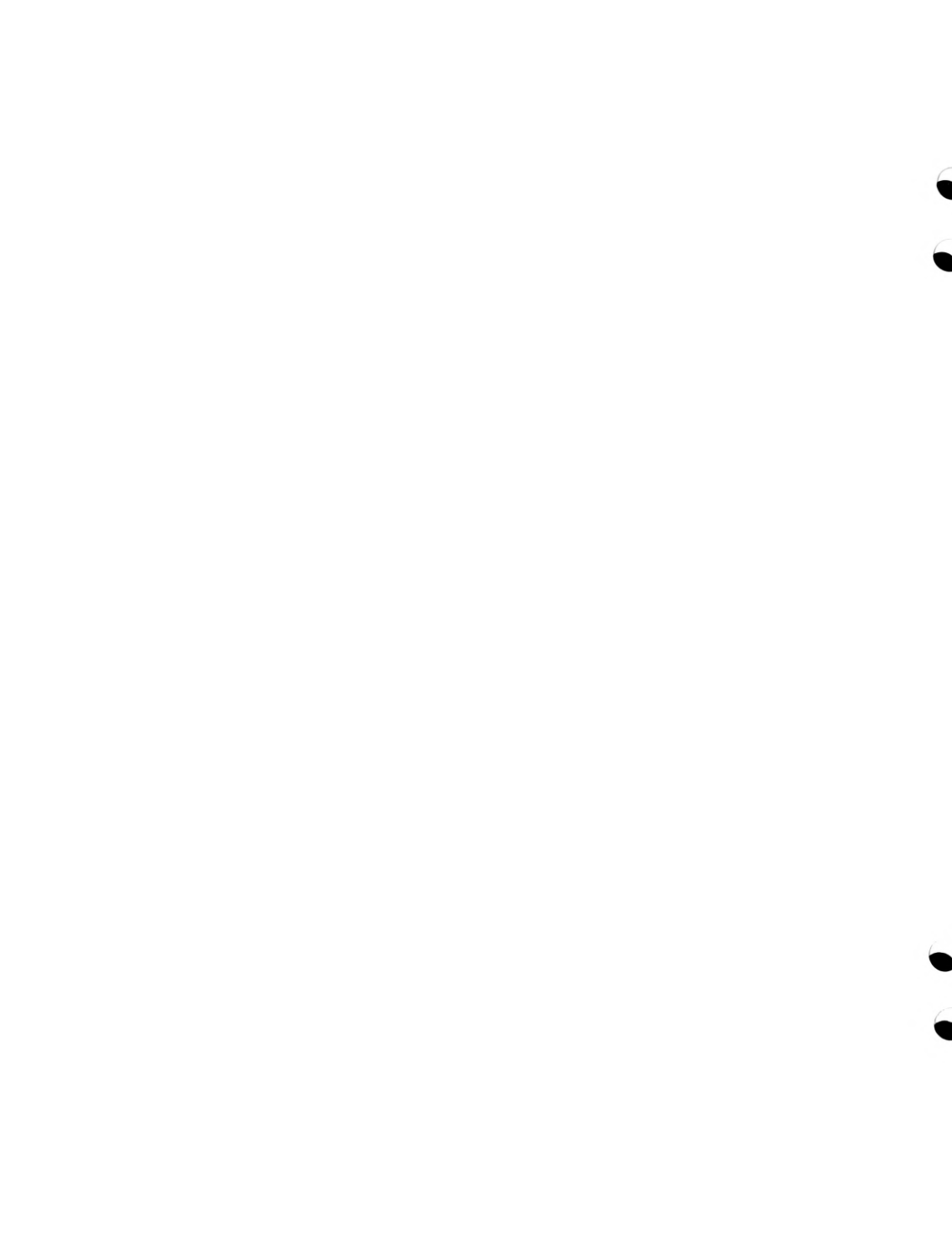
THREE CAMPUSES HOLD ORIENTATION PROGRAMS FOR STUDENTS, PARENTS

Incoming students and their parents attended meetings for orientation and advance enrollment at two campuses of the University of Illinois during the summer. County chairmen of the Dads and Mothers associations presided at meetings at Urbana-Champaign, June 23-August 4. A panel of two students and two faculty was available daily at each precollege session to answer questions. Parents' Panels were held August 24, August 26, and September 1 at Chicago Circle, sponsored by the Office of Student Affairs. Program participants included students, faculty, and administrators. A general orientation assembly for all incoming students at the Medical Center, Chicago, will be held September 22-24.

UNIQUE OPHTHALMOLOGY EQUIPMENT INSTALLED AT MEDICAL CENTER

An argon laser photocoagulator, a powerful laser beam for use in the treatment of major eye diseases, has been installed in the University of Illinois Eye and Ear Infirmary at the Medical Center, Chicago. It is the first such equipment in Illinois and one of only a dozen in the world. The newly developed instrument, which carries with it the potential for preventing the blinding side effects of diabetes and sickle cell anemia, is used to burn away diseased portions of the retina. Several hundred patients at the Medical Center will be treated annually with the laser, according to Dr. Morton F. Goldberg, Head of the Department of Ophthalmology in The Abraham Lincoln School of Medicine, College of Medicine.

Inquiries to the *Faculty Letter* may be directed to the editor, Lucille Turigliatto, 369 Administration Building, Urbana. Telephone 333-1562.



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FACULTY LETTER

FROM THE OFFICE OF THE PRESIDENT · UNIVERSITY OF ILLINOIS

No. 226, February 1, 1972

President Reports to Trustees on Budget

President Corbally presented the following statement to the Board of Trustees at its meeting on January 19, 1972.

On January 4, 1972, the State Board of Higher Education approved Executive Director's Report No. 103 which included recommended operating budgets for higher education for Fiscal Year 1972-73 and which also contained a series of proposed program reductions and estimated savings to be achieved if such reductions are adopted. The action of the State Board means that the proposed program reductions for the University of Illinois are now referred to you for your consideration. My views concerning these proposals are well known, but each proposal will be referred to the appropriate University and Campus officers for review and analysis. The results of our review will be presented to you for your consideration at your February meeting so that you can respond to the advice of the State Board.

The important part of Report No. 103 is the proposed appropriation figures for Fiscal Year 1972-73. While the

amounts proposed for the University of Illinois fall far short of amounts necessary to meet our needs, we have concluded that the current financial situation of the State of Illinois makes it unlikely that any sizable increases will be available. I have been assured that special efforts will be made to assist us in resolving currently unresolved financial problems to enable us to continue our planned expansion programs in the health sciences. I have further been invited by Governor Ogilvie to join with him and with others to explore possible Federal sources of income to assist us in meeting some of our most pressing problems.

We are now beginning the process of developing operating budgets for Fiscal Year 1972-73 within the framework of the total amount recommended for the University of Illinois by the State Board. This process will be a difficult one and will raise many problems. Our timetable calls for the completion of an analysis of our problems and possibilities during the next few weeks and I will make a report concerning the 1973 budget in some detail to you at the February meeting.

University's 1971-72 Operating Budget and 1972-73 Appropriation Request

LYLE H. LANIER, EXECUTIVE VICE PRESIDENT AND PROVOST

This report is addressed primarily to the faculty and to others within and outside the University of Illinois who might well be perplexed by the budgetary developments of the past twelve months. The appropriation process for 1971-72 was unusually protracted, at times controversial, and far from satisfactory in outcome. Further, the situation has been complicated by the overlap of the final stage of legislative action for Fiscal Year 1971-72 with the initial phase of planning for 1972-73 — with the attendant emergence of a new fiscal ideology from the State Board of Higher Education. One consequence of these rapidly changing events has been the lack of a definitive account of the interacting proceedings — a gap that the present review will attempt to fill, although as regards plans for next year it could well be out of date before appearing in print.

The report is presented in two main sections. The first is concerned with appropriations for the current

year, which were completed with the enactment of a supplemental bill last November that provided funds for salary increases. In the second section, the University's appropriation request for Fiscal Year 1972-73 will be discussed, with special reference to the recommendations approved by the Board of Higher Education at its meeting on January 4, 1972.

I. APPROPRIATIONS FOR FISCAL YEAR 1971-72

A statistical summary of the results of successive actions upon the University's 1971-72 request for operating funds is presented in Schedule A, together with comparison totals for Fiscal Year 1970-71.

A breakdown of these funds into two categories is shown: "Regular Operations" and "Retirement Contributions" — partly because such tabulations are sometimes presented in official reports and partly to facilitate the following brief discussion of the funding of the retirement system.

SCHEDULE A — APPROPRIATIONS FOR OPERATIONS (DOLLARS IN THOUSANDS) — FISCAL YEARS 1970-71 AND 1971-72

Sources of Funds for Operations	FY 1970-71 Appropriations	FY 1971-72 Appropriations					Total Appropriations FY 1971-72
		Requested by the University	Recommended by the BHE FY 1971-72	Passed by Gen. Assembly (S. B. 717)	Approved by Governor (S. B. 717)	Added by S. B. 1299 (Nov. 1971)	
<i>Regular Operations</i>							
General Tax Revenue.....	\$159,661.2	\$189,159.0	\$172,041.9	\$164,027.7	\$152,900.0 ¹	\$2,100.0 ²	\$155,000.0
University Income.....	18,218.1	22,900.0	27,290.0	22,900.0	22,900.0	—0—	22,900.0
Agricultural Premium Fund.....	1,021.7	1,252.8	1,166.7	1,161.1	1,161.1	—0—	1,161.1
Subtotal.....	(\$178,901.0)	(\$213,311.8)	(\$200,498.6)	(\$188,088.8)	(\$176,961.1)	(\$2,100.0)	(\$179,061.1)
<i>Retirement Contributions</i>							
General Tax Revenue.....	\$ 7,391.3	\$ 24,307.0	\$ 24,307.0	\$ 7,586.7	\$ 5,258.2	—0—	\$ 5,258.2
Agricultural Premium Fund.....	83.5	106.7	106.7	32.1	22.3	—0—	22.3
Subtotal.....	(\$ 7,474.8)	(\$ 24,413.7)	(\$ 24,413.7)	(\$ 7,618.8)	(\$ 5,280.5)	(—0—)	(\$ 5,280.5)
Total, Operations.....	\$186,375.8	\$237,725.5	\$224,912.3	\$195,707.6	\$182,241.6	\$2,100.0	\$184,341.6

¹ The general-revenue (State tax) funds approved by the Governor in S. B. 717 included \$2.0 million for expansion in the health fields, which was offset largely by reductions in general-revenue funds that had been approved by the General Assembly for capital purposes.

² This sum of \$2.1 million for FY 1971-72 salary increases was provided through a transfer of that amount (via S. B. 1299) from an item appropriated for equipment in S. B. 717. The appropriated sum of \$2.1 million was matched by the same amount from an indirect-cost reserve (nonrecurring) — to provide salary increases for seven months averaging about 5 per cent.

Retirement Contributions

The figures under this heading in Schedule A show that the University requested and the Board of Higher Education recommended more than a threefold increase in retirement contributions for 1971-72 over the amount for 1970-71. This proposed increase from \$7.47 million to \$24.4 million was the amount required by a State statute passed in 1967, to provide full funding of the current service costs of the State Universities Retirement System plus interest on its unfunded accrued liability. Since passing that law, however, the General Assembly has regularly failed to appropriate the full amount required by it and failed to do so again in Senate Bill 717 (as shown in the fourth column of Schedule A).

Unfortunately, the Governor reduced the retirement funds still further to \$5.28 million, which was not quite sufficient to meet the University's current retirement obligations, although the total appropriations made to all institutions in the System were apparently sufficient to meet all of its current obligations.

Summary of Recommended Increases for 1971-72

The appropriation totals for the various stages of the budgetary process for 1971-72 are shown in the last line of Schedule A, and are reproduced below, together with the amounts and percentages of increase above the base budget for FY 1970-71:

	Dollars in Thousands	Increase over FY 1970-71	
		Amount	%
Base budget for FY 1970-71 . . .	\$186,375.8		
University request for FY 1971-72.....	237,725.5	\$51,349.7	27.6
Approved by Board of Higher Education.....	224,912.3	38,536.5	20.7
Passed by General Assembly . . .	195,707.6	9,331.8	5.0
Approved originally by Governor.....	182,241.6	-4,134.2	-2.2
Total after addition of \$2.1 mil- lion for salary increases	184,341.6	-2,034.2	-1.1

General Assembly's Amendments to Senate Bill 717

A special study group of the Democratic majority of the Senate Appropriations Committee developed the amendments to Senate Bill 717 that were finally approved by both houses of the General Assembly. A total of \$195.7 million was recommended for the University of Illinois — a reduction of \$29.2 million below the amount recommended by the Board of Higher Education. Also, the University income fund was reduced to eliminate the income from the higher tuition rates recommended by that Board. The Senate study group recommended an overall increase of some \$9.2 million above the University's 1970-71 total, including \$6.3 million for salary increases averaging about 4.6 per cent. The remainder of the increase was considerably below the amount needed for the projected expansion in the health fields alone, but it looked good in retrospect after the Governor had finished with the bill.

The Governor's Reductions

Apart from retirement contributions, the Governor originally stipulated that the University's appropriations for operations in Senate Bill 717 be reduced so as to bring the University's total for 1971-72 to the same level as that for 1970-71, with the added proviso that the reduced total include the additional income from the higher tuition rates recommended by the Board of Higher Education. The latter condition amounted to a cut of approximately \$3.9 million below the total appropriated for operations in 1970-71, since the General Assembly had refused to appropriate the additional income that the higher rates would have produced.

The Governor later agreed to an increase of \$2.0 million in state-tax funds for use specifically to expand programs in the health fields. In order to secure this addition, the University agreed to reductions in capital items totaling \$1.235 million. Further, even with this increase in state-tax funds, the University's total in general-revenue funds (\$155.0 million) was some \$4.66 million below the level of 1970-71 (a reduction of 2.9 per cent).

Efforts to Secure Salary Increase Funds for 1971-72

The Board of Trustees at its meeting on July 21, 1971, voted: (a) to urge the General Assembly to rescind the Governor's net reduction of \$5.84 million for "Personal Services" in Senate Bill 717, to provide funds for salary increases; (b) to defer the decision on a tuition increase until after the General Assembly had decided whether or not it would support the Governor's recommendation for such an increase; and (c) to urge the General Assembly to restore the reduction in the item for retirement contributions.

The University's efforts to persuade the General Assembly to override the Governor's reduction of the "Personal Services" item met strong opposition from the Board of Higher Education. At its meeting on September 8, 1971, the Board voted "to recommend to the governing systems that with the exception of the tuition question, they accept the figures currently in effect, that they make no further attempts to restore budget reduction. . . ." Despite the Board's opposition, the University continued its effort to secure salary-increase funds through the restoration of the personal-services item of \$5.84 million in Senate Bill 717. Unfortunately, the effort failed in the Senate during the session of the General Assembly last fall—the vote being strictly along party lines except that Senator Weaver joined the Democrats in voting to override the Governor's reduction. Prior to that vote, a bill introduced by Senator Hynes proposed a new appropriation for salary increases, but that bill also failed to pass in the Senate.

Following these two reversals, a successful effort was initiated by Representative Clabaugh and Senator Weaver to secure salary-increase funds for the University—an effort in which they were joined by legislators interested in other senior university systems. For the University of Illinois, the legislation consisted in amendments to Senate Bill 717 transferring the sum of \$2.1 million from an equipment item to personal services. The University agreed to match that sum by assigning \$2.1 million from an indirect-cost reserve—to yield a total sufficient to fund salary increases averaging 5 per cent for a seven-month period (December 1, 1971, through June 30, 1972).

The wisdom of funding salary increases on such a basis may well be questioned. An average increase of 5 per cent would require approximately \$7.2 million on an annual basis. With only \$2.1 million available in recurring state appropriations for the 1971-72 increases, an additional sum of \$5.1 million must be provided in 1972-73 to maintain salaries at current levels. This will obviously be difficult to do in 1972-73 in the face of the continuation of a condition of financial stringency for higher education in Illinois. The decision to proceed with the increases was made only because the alternative of no general salary increases this year seemed even more undesirable to the administrative officers chiefly concerned, at both campus and general-University levels. Whether or not this judgment turns out to have been sound will perhaps depend upon the outcome of current efforts to develop a viable budget for 1972-73. Difficult as this task will be, however, the funds to maintain the present salary levels will be found; and every reasonable possibility will be explored to provide additional increases next year.

II. PROPOSED APPROPRIATIONS FOR OPERATIONS — FISCAL YEAR 1972-73

The present report will be limited to the overall financial aspects of Executive Director's Report No. 103 which was approved in its entirety by the Board of Higher Education on

January 4, 1972. That endorsement covered scores of suggested reductions in "low-priority" programs and increases for "high-priority" programs, in addition to the appropriation totals recommended for the various institutions and agencies concerned with higher education. The program changes and associated financial estimates were proposed as the means whereby the several senior systems of public universities could live within essentially "status quo" budgets and yet manage to accommodate increased enrollment, meet other cost increases, and conduct new programs of high priority.

The University of Illinois is making a careful study of the policy and program recommendations affecting it in Report No. 103—as well as the related budgetary assumptions and implications—and a systematic commentary upon these recommendations will be submitted to the Board of Higher Education as soon as the study has been completed. That report will advise the Board as to the acceptability of the recommendations and as to the manner and schedule of implementation for the proposals judged to be acceptable. Meanwhile, it might be useful to clarify the nature of the Board's statutory responsibilities for the review of the educational programs of the public universities of the State.

Board of Higher Education's Authority over Existing Programs

Widespread misunderstanding has been evident in the discussion in the news media of the Board's legal authority over existing programs of the public universities. Certain commentators have assumed that the Board has the legal authority to *direct* the governing boards to implement its program recommendations. The Board has no such authority under State statutes, a fact clearly recognized in Executive Director's Report No. 103 (p. 3). The controlling section of the statutes reads as follows:

"The Board of Higher Education is authorized to review periodically all existing programs of instruction, research and public service at the state universities and colleges and to *advise the appropriate board of control* if the contribution of each program is not educationally and economically justified." (*Emphasis added.*) (From Section 187 of the Act creating a Board of Higher Education, as amended by an Act approved June 30, 1967, Senate Bill 1184.)

It might be added that another section of the statutes does indeed give the Board of Higher Education mandatory control over the initiation of *new* programs of instruction, research, and public service.

If the Board of Higher Education wished to force the Board of Trustees of the University of Illinois to accept changes in its existing programs that the University did not favor, the Board of Higher Education could accomplish that purpose only through persuading the General Assembly to enact a bill containing such a provision and securing the Governor's approval of it.

The remainder of this report will be concerned mainly with the following topics: (a) the total appropriations recommended for the University in 1972-73 by the Board of Higher Education; (b) the failure of Executive Director's Report No. 103 to recognize certain mandatory cost increases facing the University in 1972-73; (c) the invalid premises and data apparently underlying the Board staff's contention that the University of Illinois is excessively funded in comparison with other similar institutions and that the University could hence finance very substantial cost increases next year for "high-priority" purposes through internal economies and reallocation of resources.

Total FY 1972-73 Appropriations Recommended for University by IBHE

A comparison of the funds available for University operations in 1971-72 with the amounts recommended by the Board of Higher Education for 1972-73 is presented in Schedule B. Both state appropriations and supplemental funds from federal sources are shown, and the two sources are combined in a third section of the table. The following is a brief summary of the essential facts shown in Schedule B:

1. An increase of about \$1.74 million in regular state appropriations is recommended—from \$184,341,600 in FY 1971-72 to \$186,079,200 in 1972-73.
2. But if the 1971-72 base be increased sufficiently to annualize the salary increases made this year for seven months (i.e., to provide funds to pay the increases for twelve months instead of seven), the appropriation level would be \$3.36 million *below* the current budgetary level.
3. The inclusion of the supplemental federal funds for health-manpower and indirect-cost purposes as "state appropriations" would not add \$9.646 million to the resources of the University next year, which Executive Director's Report No. 103 would lead one to think by omitting any reference to the current levels of support. These sources might provide a net increase of \$1,342 million over the University's current level for such funds. (The University will strongly oppose the recommendation that federal grants under the health-manpower act be subject to Illinois legislative appropriation.)

With respect to state appropriations only, the University administration has reluctantly concluded that it probably would not be possible to secure an increase in the recommended total of \$186.1 million for 1972-73—even though this would represent an increase of only \$1.74 million above actual appropriations for the current year and would be \$3.36 million short of the amount needed for salary annualization next year. There are several reasons for this decision. The first is based on the belief that the failure to secure an override of the Governor's FY 1971-72 reductions last fall means that another such effort this year would likewise be unsuccessful, even if favorable action by the General Assembly could be secured (which is an unlikely prospect).

A second reason arises from the complete reversal of the position of the Board of Higher Education during the past year relative to the needs of higher education. Whereas a year ago the Board recommended substantial increases beyond 1970-71 appropriations—including some \$21.5 million for the University of Illinois—its recent recommendations relative to a substantially higher set of program projections for 1972-73 inconsistently argue that the universities can meet these expanded needs with budgets that overall are below the 1970-71 level. Whatever one might think about the influence of that Board in Springfield, its outright opposition would certainly not help a University effort to secure higher appropriations from the General Assembly than the Governor had included in his budget.

A third reason for accepting the total in regular state appropriations approved by the Board of Higher Education

**SCHEDULE B — COMPARISON OF FY 1971-72 APPROPRIATIONS WITH FY 1972-73 IBHE RECOMMENDATIONS
(DOLLARS IN THOUSANDS)**

Sources of Funds for Operations	FY 1971-72	FY 1971-72	FY 1972-73	Increases Recommended for	
	Appropriations Plus Supplemental Funds	Base with Annualized Salaries ¹	Recommendations of IBHE	FY 1972-73 over FY 1971-72	FY 1971-72
				Actual Approp- riations	Annualized Base
I. STATE APPROPRIATIONS					
<i>Regular Operations</i>					
General Revenue	\$155,000.0	\$160,100.0	\$155,010.0	\$ 10.0	-\$5,090.0
University Income	22,900.0	22,900.0	24,580.0	1,680.0	1,680.0
Agricultural Premium Fund.....	1,161.1	1,161.1	1,208.7	47.6	47.6
Subtotal.....	(\$179,061.1)	(\$184,161.1)	(\$180,798.7)	(\$ 1,737.6)	(\$-3,362.4)
<i>Retirement Contributions</i>					
General Revenue	\$ 5,258.2	\$ 5,258.2	\$ 5,258.2	-0-	-0-
Agricultural Premium Fund.....	22.3	22.3	22.3	-0-	-0-
Subtotal.....	(\$ 5,280.5)	(\$ 5,280.5)	(\$ 5,280.5)	(-0-)	(-0-)
Total (State Appropriations).....	\$184,341.6	\$189,441.6	\$186,079.2	\$1,737.6	-\$3,362.4
II. SUPPLEMENTAL FUNDS					
Federal Health Manpower Funds ²	\$ 1,554.0	\$ 1,554.0	\$ 3,683.0	\$2,129.0	\$2,129.0
Indirect-Cost Income (75%).....	6,750.0	6,750.0	5,962.5	-787.5	-787.5
Total (Supplemental Funds).....	\$ 8,304.0	\$ 8,304.0	\$ 9,645.5	\$1,341.5	\$1,341.5
III. ALL FUNDS					
State Appropriations	\$184,341.6	\$189,441.6	\$186,079.2	\$1,737.6	-\$3,362.4
Supplemental Funds.....	8,304.0	8,304.0	9,645.5	1,341.5	1,341.5
Grand Total.....	\$192,645.6	\$197,745.6	\$195,724.7	\$3,079.1	-\$2,020.9

¹ Salary increases of 5 per cent were in effect for only the last seven months of FY 1971-72, and were paid partly from nonrecurring funds. The figures in this column would be the appropriation base for FY 1971-72 in "annualized" recurring funds.

² The figures for FY 1971-72 are the University's estimates of grants currently available for health-education-improvement programs. The FY 1972-73 figures are estimates of the Board of Higher Education. The new health-manpower legislation would supersede existing support programs.

and the Governor is that definitive planning for next year's budget should begin as soon as possible, in order to allow time for the intensive studies and wide consultation that will be necessary if wise decisions are to be reached on the critical issues now before us.

Funds Needed to Annualize FY 1971-72 Salary Increases

Executive Director's Report No. 103 ignores entirely the need for annualizing next year the salary increases made for a seven-month period this year. This means that Executive Director Holderman did not inform his Board of the highest-priority obligation of the University of Illinois for FY 1972-73 — which presumably is that of the other public universities as well. The addition of the required sum of \$5.1 million to the increases totaling \$12.64 million "recommended" for the University in Report No. 103 would inflate the total of the "high-priority" increases to \$17.376 million, which is approximately 40 per cent above the amount he reported to the Board of Higher Education.

For the funding of these increases, the only new income would be the estimated total of \$3.08 million — as shown in Schedule B. Deducting this amount from the total of \$17.376 million would leave an unfunded residue of "high-priority" needs that would require funding through internal savings and reallocation of resources in the amount of \$14.657 million.

What this means is that the present budget of the University of Illinois would have to be cut by \$14.657 million (8.2 per cent) in order to fund the "high-priority" recommendations in Executive Director's Report No. 103, together with the annualization of 1971-72 salary increases.

Dr. Holderman cannot claim that he did not know, or had forgotten, about the salary-annualization problem, since he wrote two letters to President Corbally on that subject during December 1971. The second was written on December 29 — only six days before the meeting of the Board of Higher Education on January 4, 1972 — requesting detailed information on the funds required to annualize salaries.

Dr. Holderman's failure to call this obligation — and the similar commitments of other public universities — to the attention of his Board is an appalling omission by a public official charged with professional responsibility for coordinating and reflecting the needs of higher education in Illinois. Equally astounding is the fact that when his \$5.1 million "error" was called to the attention of the Board of Higher Education on January 4, 1972, by the present writer — by means of a documented analysis of the problem — the Board even did not see fit to ask Dr. Holderman for an explanation. Showing understandable restraint, he did not volunteer to give one.

Misrepresentation of Comparative Status of University's Financial Resources

Three main premises appear to underlie the recommendations in Executive Director's Report No. 103 concerning the University of Illinois: (a) that the University has an excess of financial resources in comparison with similar public institutions, and hence can support new undertakings through economizing and reallocation of resources; (b) that certain types of University expenditures are disproportionately high, especially those for administration and physical-plant operations (an assumption said to apply also to the other Illinois public universities); (c) that the University has a substantial number of "lowest-priority" programs which can be readily reduced or phased out to produce immediate savings for 1972-73. The last two assumptions will not be discussed in

this report but will be examined in considerable depth in the forthcoming commentary on Executive Director's Report No. 103, which probably will be completed early in March.

The only evidence thus far disclosed relative to the claim that the University has an excess of financial resources is ostensibly found in a set of tables distributed by the staff of the Board of Higher Education, which show comparisons of state-tax appropriations for the nine public universities of the Big Ten group. The following figures illustrate the type of comparisons that are made:

Institution	State Tax	Headcount	Amount App-
	Appropriations FY 1970-71 (Thousands)	Enrollment (Fall 1970)	ropriated per Headcount Student
University of Illinois	\$169,100	58,022	\$2,914
Michigan State University	\$ 70,100	44,092	
University of Michigan	73,500	39,661	
Total (Michigan)	\$143,600	83,753	\$1,715

The inferences that have been encouraged from these isolated figures are: (a) that the University of Illinois has a far higher level of financial support for its educational programs than the two Michigan universities; and (b) that the University of Illinois has a sufficient excess in state-tax income that it could afford to reduce expenditures for its current programs in order to reallocate the savings to "higher-priority" programs.

These conclusions are entirely unjustified from the evidence presented. The figures cited do indeed identify a marked difference between the University of Illinois and the other two institutions, but its nature has not been correctly interpreted. It is necessary to consider all of the resources available to these institutions before valid conclusions may be drawn as to their relative levels of financial support. A more adequate picture of the comparative resources of the University of Illinois and the two Michigan institutions is presented by the following income figures for the fiscal year 1970-71, taken from their official financial reports:

Source of Income	Income per Headcount Student		
	University of Illinois	University of Michigan	Michigan State University
General Funds			
State-tax Funds	\$2,899	\$2,003	\$1,629
University Income	292	933	717
Subtotal, General Funds	(\$3,191)	(\$2,936)	(\$2,346)
Other Funds	2,389	3,924	1,721
All Funds	\$5,580	\$6,860	\$4,067

These figures show clearly that the University of Michigan — which is more nearly comparable overall to the University of Illinois than is Michigan State University — has a considerably higher total income level than the University of Illinois: \$6,860 versus \$5,580 per headcount student.

The University of Illinois shows a somewhat higher average for the category "General Funds" than the University of Michigan (state-tax funds and appropriated university income): \$3,191 versus \$2,936 per headcount student. However, the University of Illinois' figure includes approximately \$21.0 million for research and extension in its College of Agricul-

ture and for the University of Illinois Hospital, whereas the University of Michigan expends no "General Funds" for agriculture and only \$6.8 million in such income for its hospital. The net difference of \$14.2 million between the two institutions relative to these differential requirements for "General Funds" amounts to some \$245 per student for the 1970 fall-term-headcount enrollment of the University of Illinois. Removing this amount from the University's overall "General-Funds" average of \$3,191 would reduce its figure to \$2,946, which is only \$10 more than the University of Michigan's average of \$2,936.

The tabulation also shows that the University of Michigan collects a markedly higher average amount of tuition and fees than the University of Illinois: \$887 per headcount student for Michigan and \$268 for Illinois. The reasons for this difference are threefold: (a) the lower tuition rates at the University of Illinois; (b) the far higher proportion of non-resident students at the University of Michigan, who pay much higher tuition than residents of the state; (c) the larger number of tuition waivers for both undergraduate and graduate students at the University of Illinois. Concerning waivers, for example, the University is required by State statute this year to waive tuition for 7,323 students (mostly veterans and teacher-education trainees), with a loss of income amounting to some \$2.9 million.

The low level of tuition income for the University of Illinois—and that for other Illinois institutions of higher education—reflects a longstanding public policy designed to make educational opportunity widely available at low cost to the youth of the State. If it is believed that this historic commitment should now be changed because of the financial condition of the State, it is legitimate to advocate measures towards that end. But the nature and implications of that position should be clearly understood and the means to its implementation should be forthrightly proposed. Perhaps the Board of Higher Education's Commission on Financing Higher Education will make constructive proposals directed towards improving the income situation of the public universities, but without depriving worthy students of educational opportunity simply because they cannot afford to pay the higher tuition rates and meet other costs.

With respect to the comparative "study" of Big Ten universities, it is deplorable that such seriously misleading information should have been so widely disseminated by the staff of the Board of Higher Education among advisory committees of the Board, legislators, newspaper editors, and others—as evidently has been done from reports reaching University staff members. It is perhaps significantly symbolic of the calibre of the material and its use that officers of the University of Illinois were not even informed by Dr. Holderman of its

existence—much less afforded the professional courtesy of an opportunity to comment on it or to have the University's interpretation reach the recipients.

Concluding Comment

President Corbally has fittingly characterized in the following words the most objectionable aspect of the budget recommendations submitted by the Executive Director to the Board of Higher Education on January 4, 1972:

"In short, the certainty with which the Executive Director and his staff have outlined millions of dollars worth of 'savings' which can be applied to salary increases and to new programs is a cruel fiction."

This judgment is fully supported by the evidence and interpretation in the present report, as well as by other studies in process that will be published later.

Apart from analytical studies, however, the credibility of the Executive Director's professional advice might well be questioned on the basis of a comparison between his budget recommendations on January 5, 1971, in Executive Director's Report No. 93 and those submitted on January 4, 1972, in Report No. 103. A year ago he recommended an increase of \$21.6 million for the University in 1971-72 (not including retirement contributions), which did not materialize; this year, he finds so much "fat" in the University's budget that he proposes cuts of \$9.5 million to provide funds for further salary increases and program expansion. (As already noted, this figure becomes \$14.6 million if the omitted sum of \$5.1 million for annualizing 1971-72 salary increases is included.)

All three campuses and the general-administrative offices of the University of Illinois are working intensively to evaluate the consequences of the ceiling of \$186.1 million in regular state appropriations recommended for FY 1972-73 by the Board of Higher Education. A report will be made to the Board of Trustees at its meeting on February 15, 1972, concerning the results of these studies to that date; and a reasonably definitive picture should be available by the time the General Assembly reconvenes in March. But if that total amount, together with an increase of \$2.0 million in federal health-manpower funds, is all that is available next year, it seems inevitable that plans for further salary increases and for expansion in the health fields will have to be sharply curtailed.

Inquiries to the *Faculty Letter* may be directed to the editor, Lucille Turigliatto, 369 Administration Building, Urbana. Telephone 333-1562.

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FACULTY LETTER

FROM THE OFFICE OF THE PRESIDENT · UNIVERSITY OF ILLINOIS

No. 227, February 24, 1972

General Rules Relating to Academic, Administrative Staffs Disability Leave Modified

The Board of Trustees, meeting on the Urbana-Champaign Campus February 16, approved modification of *General Rules* relating to disability leave of members of the academic and administrative staffs.

The following presentation was made to the Board:

Section 29, (c), (2) of *The General Rules Concerning University Organization and Procedures* provides that unused disability leave (sick leave) may be accumulated by members of the academic and administrative staffs up to a maximum of sixty days. Additionally, and subject to the approval of the President, such staff members who have completed at least three years of service may be granted disability leave with full pay for a period not to exceed one-half of his appointment year. However, the additional leave is not cumulative.

A recent change in the retirement law allows the use of unused disability leave in the calculation of service credit at retirement. Accordingly, it is proposed to change the amount of such leave which may be accumulated in any year from sixty days to six months.

The President, with the concurrence of the three Chancellors (who have had the advice of the Senate Committees on Faculty Benefits at their campuses), recommends that the rules relating to disability leave for academic or administrative personnel be modified to read as follows: (new text is underlined, deletions are shown by lines through text)

“Academic or Administrative Staff. Noncumulative leave is granted with full pay for disability in each year of service, including the first, of fifteen calendar days. In addition, a staff member is eligible for extended disability leave of ten calendar days with full pay for each year of service, the unused portion of which is cumulative in any year to a maximum of ~~sixty days~~ six months.

“Subject to the approval of the President, or Chancellor as appropriate,* a member who has completed at least three full years of service may be granted a disability leave with full pay for a period (including the annual and extended leaves described above) not to exceed one-half of his appointment year.

“No deduction of time from the annual leave or the extended leave is made if the member is ill or disabled at a time when he is not expected to furnish regular service to the University.

“After the disability benefits described above have been exhausted, a member may be granted a disability leave without pay from the University. If such a member is a participant in the University Retirement System of Illinois, he may apply for the benefits to which he is entitled under that system.”

* In the case of staff members of General University offices the President will act.

Revision of Statutes Relating to University Employment

At its February 16 meeting, the Board of Trustees gave final approval of revisions of the *University Statutes* relating to University employment for which it had given provisional approval on September 15.

Here are the agenda item and revisions:

At the September 15, 1971, meeting, the Board of Trustees provisionally approved revisions of Sections 33 and 34 of the *University Statutes* dealing with employment of relatives and with other criteria for employment. The proposed revisions were referred to the Senates and to the University Senates Conference for their information and advice.

The University Senates Conference and the Medical Center and Chicago Circle campus Senates now have approved the revisions as proposed. The Urbana-Champaign Senate adopted a slightly modified version.

In view of the fact that two of the Senates and the University Senates Conference are in agreement on the specific language and all are in agreement with the substance of the proposed revisions, I recommend that final approval be given to Sections 33 and 34 in the form provisionally adopted on September 15, 1971.

TEXT, AS PROVISIONALLY APPROVED, SEPTEMBER 15, 1971

CRITERIA FOR EMPLOYMENT AND PROMOTION

Sec. 33. The basic criteria for employment and promotion of all University Staff, whether or not subject to the act creating the University Civil Service System of Illinois, shall be appropriate qualifications for and performance of the specified duties. The principles of equal employment opportunity are a part of the general policy of the University. Unless otherwise

provided by law, employees are to be selected and treated during employment without regard to political affiliation, relationship by blood or marriage, age, sex, race, creed or national origin.

EMPLOYMENT OF RELATIVES

Sec. 34. No individual shall initiate or participate in institutional decisions involving a direct benefit (initial employment, retention, promotion, salary, leave of absence, etc.) to a member of his immediate family. "Immediate family" in-

cludes an individual's spouse, ancestors and descendants, all descendants of the individual's grandparents, and the spouse of any of the foregoing. Each Chancellor shall develop, for the approval of the President, campus procedures to insure against such conflict of interest.

MODIFICATIONS, URBANA SENATE

1. Sec. 33. Transposition, first and second sentences.
2. Sec. 34. Deletion, "initiate or," line one.

Student Rules of Conduct Revised

Another revision approved by the Board of Trustees February 16 pertained to the "Rules of Conduct Applicable to All Students Concerning Disruptive or Coercive Action." Text of President Corbally's recommendation reads as follows:

Among the administrative recommendations on University judicial processes approved by the Board on January 19, 1972, was one indicating the need for development of a wider range of fitting sanctions and penalties. Specifically, it was recommended that there be a broadening of sanctions applicable to the variety of acts covered by the Board's statement (adopted August 12, 1970; amended September 16, 1970) of "Rules of Conduct Applicable to All Students Concerning Disruptive or Coercive Action."

To implement the Board action of January 19, 1972, I

recommend the following amendment to the final paragraph of the Rules of Conduct (new language is underlined):

"... When, through the disciplinary process, a student is found to have knowingly engaged in a disruptive or coercive action, as above defined, the penalty will be dismissal or, upon a finding that substantial mitigating circumstances exist, suspended dismissal or other sanctions deemed just and appropriate. The Chancellors, in consultation with the President, are expected to institute and implement the necessary procedures for referral of appropriate cases to the disciplinary processes."

The change is consistent with recommendations made to the administration and to the Board of Trustees by the Senate Committees on Student Discipline at the Chicago Circle and Urbana-Champaign Campuses.

Survey Research Laboratory's Social Science Data Archive

The Social Science Data Archive (SSDA) of the University's Survey Research Laboratory has been completely reorganized and is available as a major source of behavioral and social-science data needed for research, teaching, and policy decision-making. In addition to serving the University of Illinois, the SSDA will supply data from its machine-readable files to other universities and colleges throughout the State, governmental agencies (both state and municipal), and various organizations in the private sector.

The present holdings of the Archive are being upgraded and made part of a comprehensive user-oriented information system for the behavioral and social sciences. The Archive has a wealth of data from several fields, including sociology, political science, economics, and history. Data from studies of major survey research organizations and the Survey Research Laboratory have been achieved and can be retrieved for various forms of secondary processing.

CENSUS DATA PROCESSING CENTER

A major part of the Archive's reorganization has been designed to develop the capability for processing all of the data from the 1970 Census of Housing and Population. At a minimum, the full set of machine-readable summary-tape census data for the State of Illinois will be acquired, and the SSDA staff will be capable of servicing requests

for these data. The census tapes for additional states will also be acquired as user demand warrants and as resources allow. Under consideration is the possibility of acquiring the tapes for the entire Midwest, and arrangements might ultimately be made to acquire the census tapes for the entire United States.

The full set of census data for each state is divided into six partitions known as "counts." The primary difference among these counts lies in the geographic areas and the number of census items that each covers. The First Count summary tapes of 1970 census data are in hand now, and requests for data are being met as they are received. It is expected that the Second and Third Counts will be available in February. The Fourth Count will probably be available in April or May. No indications have been received from the Census Bureau concerning the availability of the Fifth or Sixth Counts.

DATA PROCESSING CAPABILITIES

The SSDA is implementing a package of computer programs to perform various types of data-file manipulation and management, and to provide "easy-to-read" and "easy-to-work-with" output for users. The package consists of six computer programs: four are presently operational and well-documented, and the remaining two are under development. The package permits the extraction of tabulations and cross-tabulations of census items for

any geographic area within the State, or tables can be generated to summarize across several geographic areas. The package also allows the user to take a "quick look" at interesting data without spending valuable time and money on program development.

The SSDA programming staff also has the ability to write and implement special-purpose computer programs for special tabulation requests that cannot be serviced using any of these six programs.

DEVELOPMENT OF STATEWIDE INFORMATION SYSTEM

The reorganization of the Archive has taken place with the intention of developing a comprehensive information system for the State of Illinois, which will integrate several components to provide a full range of social, political, demographic, and economic data. The system will be composed of several computer-based data files which can be machine-manipulated to provide optimal service to system users.

A systematic approach to information storage and retrieval allows a great deal of flexibility, while preserving optimal capability for meeting data requests. The SSDA staff will work individually with users to assist them in taking full advantage of the Archive's services.

The Management Information Division of the Illinois Department of Finance has agreed to use the Survey Research Laboratory as a referral facility for requests from state agencies for census data and other types of social-science information.

WORKSHOPS AND TRAINING PROGRAMS

The SSDA is offering workshops at the University for

interested students, faculty, and administrators to explain the structure and content of the census data files, their availability and accessibility, and their uses. In addition, special training programs with the same intent will be offered to users from governmental and nonprofit agencies.

CHARGES FOR SERVICES

The SSDA will charge for its services based upon retrieving its own costs for processing requests and to cover its operating expenses. Prospective users are urged to discuss their data requirements with SSDA's staff members. Such discussions can help to clarify what types of data will best fit the user's needs — as well as establish a firm basis for developing estimates of cost.

Inquiries regarding the services provided by the SSDA should be directed to:

Dr. Daniel James Amick
Survey Research Laboratory
University of Illinois at Chicago Circle
P.O. Box 6905
Chicago, Illinois 60680
Phone — (312) 663-5304

Mr. Noel Uri
Survey Research Laboratory
University of Illinois at Urbana-Champaign
Room 11, David Kinley Hall
Urbana, Illinois 61801
Phone — (217) 333-6572

From the President's Report on Selected Topics of Current Interest

PREPARED FOR THE UNIVERSITY OF ILLINOIS BOARD OF TRUSTEES MEETING
AT THE URBANA-CHAMPAIGN CAMPUS, WEDNESDAY, FEBRUARY 16, 1972

WINTER ENROLLMENTS UP AT CHICAGO CAMPUSES; DECREASE AT URBANA-CHAMPAIGN

Final winter quarter statistics at Chicago Circle and the Medical Center, Chicago, indicate student enrollments of 18,290 and 3,183, respectively. Numerical increase at Chicago Circle is 729 or 4.15 per cent. Medical Center reports an increase of 221 students, 7 per cent. At the close of the regular registration period, preliminary figures at Urbana-Champaign indicate a spring semester enrollment of 30,020, a decrease of 1,130 students, or 3.63 per cent, from 1971. Late registration is expected to bring final enrollment at Urbana-Champaign to 30,900.

ALLERTON TRUST FARMS HAVE RECORD CORN YIELDS IN 1971

Corn yields on the seven University of Illinois Allerton Trust Farms near Monticello averaged a record 145 bushels per acre on 1,284 acres in 1971, according to Professor Donald G. Smith, of the Department of Agricul-

tural Economics and manager of the farms. The previous record was 136.6 bushels per acre established in 1965.

UNIVERSITY REAPPOINTED TO PRESIDENT'S COMMITTEE ON THE HANDICAPPED

The University of Illinois has been reappointed to the President's Committee on Employment of the Handicapped for the three-year term 1972-74. The reappointment was announced in Washington by committee chairman Harold Russell at the same time he extended the committee's appreciation for the University's "valued support and continued interest" in the program. President John E. Corbally, Jr. will represent the University on the committee.

STUDENT ORGANIZATIONS INCOME IS \$2,440,840 IN 1970-71

The annual financial report of 835 student organizations at the three campuses of the University of Illinois indicates a total income of \$2,440,840 in 1970-71. In-

come to the student organizations fund at each campus included \$147,595 for 199 organizations at Chicago Circle, \$189,830 for 112 organizations at the Medical Center, Chicago, and \$1,490,674 for 524 organizations at Urbana-Champaign. Although the report does not include athletics, social groups, or student government, it does report three organizations closely related to the University and managed by separate boards consisting of staff members and students. The 1970-71 combined income of the Concert and Entertainment Board, Illini Publishing Company, and University Theatre, at Urbana-Champaign, was \$612,741.

Fiscal 1971 expenditures by student organizations totaled \$2,447,895. Included was \$157,149 at Chicago Circle, \$202,031 at the Medical Center, Chicago, \$1,470,453 at Urbana-Champaign and \$618,262 by the three related groups.

The report is issued by Vice-President and Comptroller H. O. Farber.

260 AT COLLEGE OF DENTISTRY SYMPOSIUM ON TEACHING AIDS

Two hundred and sixty dental educators from the United States and Canada attended a program on dental teaching aids and curriculum design, co-sponsored February 9 by the College of Dentistry, University of Illinois at the Medical Center, Chicago, and the American Equilibration Society. The fourth annual symposium considered methods to improve the teaching of the principles of occlusion, proper bite, and tooth structure, to undergraduate dental students. University chairman was Dr. Robert B. Underwood, Head of the Prosthodontics Department, College of Dentistry.

ELEMENTARY EDUCATION MAJORS IN ENGLAND FOR EXCHANGE PROGRAM

Thirty juniors majoring in elementary education at the University of Illinois at Urbana-Champaign are in England for the spring semester, receiving sixteen to eighteen hours credit for study in teachers' colleges affiliated with the University of Bristol. In conjunction with the three-year-old program, fifteen British students are for the first time studying during the same period at the Urbana-Champaign Campus. Students at both locations will teach in local public schools and attend formal university classes. Supervisor is Professor Theodore Manolakes, Department of Elementary Education.

TWO WORKSHOPS HELD FOR PUBLIC HEALTH NURSES FROM TWENTY-SIX AGENCIES

Two one-day workshops, "Death and Dying," were held at the University of Illinois at the Medical Center, Chicago, on January 25 and February 3 for public health nurses representing twenty-six Illinois agencies. The workshops, concerned with the emotional crises of dying patients and their families, were coordinated by Professor Helen Hotchner, Public Health Nursing Department, College of Nursing, and director of a five-year plan for public health nursing education in Illinois.

LATIN AMERICAN STUDENTS BEGIN INTENSIVE ENGLISH STUDY AT UNIVERSITY OF ILLINOIS

Thirty students from nine Latin American countries have begun an intensive study of English at the University of Illinois at Urbana-Champaign. They are among 200 students who are studying English at United States universities on scholarships arranged by the Latin American Scholarship Program of American Universities. The program, which concludes July 31, is preparation for graduate study the students will begin at American institutions in the fall. The project is supervised by Professor Katharine O. Aston, Director of the Division of English as a Second Language, and Professor Norman W. Johnson, Director of Short Courses and Conferences in the Division of University Extension. The students do not receive academic credit.

8,000 ATTEND ANNUAL UNIVERSITY AGRONOMY DAYS

More than 8,000 Illinois farmers and businessmen in agriculture participated in University of Illinois Agronomy Days in January and February, annual programs sponsored throughout the state by the Cooperative Extension Service of the College of Agriculture at Urbana-Champaign. Faculty from the Departments of Agricultural Economics, Agricultural Engineering, Agronomy, Entomology and Plant Pathology cooperated in the eighty-three sessions held at sixty-seven sites. Professor W. R. Oschwald and agronomist Lester V. Boone, both of the Department of Agronomy, were directors.

MEDICAL CENTER HOSTS OCCUPATIONAL HEALTH CONFERENCE

Problems of occupational health and proposed improvement programs among Illinois industries were the focus of a two-day conference, "Health in the Workplace," at the University of Illinois at the Medical Center, Chicago, in January. More than 125 representatives of trade unions and health care professions participated in the meeting, which was coordinated by Dr. Edward A. Lichter, Head of the Preventive Medicine and Community Health Department, The Abraham Lincoln School of Medicine, College of Medicine.

FARM INCOME TAX SCHOOLS REPORT HIGHEST ENROLLMENT IN THIRTY-TWO YEARS

A 1971 enrollment of 2,587 was the highest in the history of Farm Income Tax Training Schools held annually for thirty-two consecutive years by the University of Illinois College of Agriculture Cooperative Extension Service at Urbana-Champaign. Registrants from all Illinois counties plus Indiana, Iowa, Kentucky, Missouri, and Wisconsin participated in the thirty-two schools scheduled at twenty-three locations during November and December. Coordinators were Professor F. M. Sims and Professor C. A. Bock, both of the Department of Agricultural Economics.

Inquiries to the *Faculty Letter* may be directed to the editor, Lucille Turigliatto, 369 Administration Building, Urbana. Telephone 333-1562.

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FACULTY LETTER

FROM THE OFFICE OF THE PRESIDENT · UNIVERSITY OF ILLINOIS

No. 228, March 13, 1972

The President's Annual Message

JOHN E. CORBALLY JR., PRESIDENT, UNIVERSITY OF ILLINOIS

INTRODUCTION

About a year ago, I was selected to become the thirteenth president of the University of Illinois. I spent those early months following that event vigorously studying the University — its past, present, and potential for the future. In September, 1971, I officially assumed the duties of the presidency. The months since September have provided all of us with the opportunity to learn something about one another's interests, concerns, and philosophies regarding public higher education.

In these past six months, I have tried to convey through my public statements and through the forty-five formal addresses I have made to civic and educational organizations in the State, my views on current educational issues and the philosophy that undergirds those views. In turn, the many conversations and written communications I have had with student groups, members of the faculty and of the staff, board members, alumni, State Government officials, other university presidents, and with citizens, have given me some clear impressions of others' hopes and aspirations for the future of public higher education in this State.

I hear a majority of people voicing three hopes for public higher education in Illinois. First, and simply stated, the people want higher education facilities available for the oncoming generations of Illinois youth. Secondly, they want educational opportunities to be available equally to all who are capable of pursuing advanced study. And finally, they want the highest quality education available at the lowest possible cost.

THE UNIVERSITY

One means to the realization of those hopes for the future lies in one of the present strengths of public higher education in Illinois — the purposeful distribution of governing authority among five distinct boards of trustees. Each governing board either presides over one multi-campus institution, or over several single-campus institutions. The advantages of this governing arrangement to the State's total program of higher education are twofold. First, each board's area of responsibility is large enough and contains sufficient diversity to provide a base for

decision making and for planning which is much more adaptable and flexible than is found on any single campus. Yet, no board's responsibilities are so vast and so diverse as to confound wise decision making or to impair progress. Secondly, the five governing boards have a range of concerns which can and does lead to comprehensive planning and policy making rather than to the more limited range of possibilities that are found in less comprehensive institutions. The task of coordinating higher education in Illinois is enhanced by such a governance structure, provided that the strengths of that structure are both recognized and honored by those responsible for coordination.

We at the University of Illinois are convinced that the quality of the total public and private system of higher education can and must be improved through cooperative efforts between systems and between institutions. Toward that end, we have initiated a variety of discussions with institution presidents from both the public and the private sector. In Chicago, for example, Chancellors Joseph Bergamo and Warren Cheston and I are developing what we are certain will be meaningful relationships with the heads of the many fine private colleges and universities in that metropolitan area. One of Vice President Norman Parker's main tasks in his new duties in the area of public service is to strengthen existing patterns and to discover new relationships in interinstitutional activities in extension and public service fields. Dr. Earl Porter, Secretary of the University, devotes a great deal of his time to interinstitutional cooperation and communication. This effort is not a new nor a novel undertaking for the University of Illinois — it is a part of our history and will continue to be a part of our future.

GENERAL IMPRESSIONS

One hears constantly that the University of Illinois is a complex institution of international stature. The University is unique in Illinois and is one of only a small number of similar institutions in the world. I have noted that we are expected to exert leadership in the State and in the Nation. Because of my position as President of the University of Illinois, I have already been asked to serve in leadership roles in State, regional, and national educa-

tional groups. As much as I might like to claim that these assignments come to me because of my personal charm and my professional expertise, I must recognize that the stature of the University of Illinois lends stature to all of us who are associated with the University. The strength of the University of Illinois is a precious State asset which lends strength to our entire system of education and which, indeed, adds to the stature of our State.

Part of the University's strength is found in its diversity. We have within our University a campus in Urbana-Champaign over one hundred years of age — a mature and honored campus with resources gathered over that hundred years of history that are unmatched in Illinois and matched on only a very few campuses anywhere. At Chicago Circle, we have a strong, developing institution which has both the problems and the advantages of youthful enthusiasm. Unfortunately, the successes achieved by the faculty, staff, and students of our Chicago Circle Campus have been so great over such a short space of time that many forget that the Circle is young, is still developing, and is deserving of the special care and attention given to other developing institutions in our State. At the Medical Center we have a specialized, professional campus which is recognized and heralded throughout the world. While all universities meet social needs in all of their activities, current social concerns about the quality and quantity of health care delivery systems place special burdens upon the faculty and staff of the Medical Center. These special burdens must not be met at the expense of other programs on other campuses either within our system or in other systems and yet they must be met. This problem is one which State officials, including University officials, are working together to solve and is but one extremely visible indicator of the dependence of a society upon its universities.

Add to these three major campuses the developing medical programs at Peoria and Rockford and the activities of our University Extension and our Cooperative Extension staff members in every village, town, and city of Illinois, and one is made aware of the strength which comes to the University through its diversity. Administered faithfully and well throughout its history and staffed at every level by dedicated professional, semi-professional, and skilled men and women, the University of Illinois has prospered because it has been charged with managing its affairs for the benefit of the people of Illinois and it has responded to this charge with vigor and with effectiveness. Those who would impose upon the University of Illinois and upon its Board of Trustees a whole series of external controls have yet to demonstrate in any factual way the ways in which the University has failed to exercise its stewardship: has failed to respond to the needs of the people of Illinois for teaching, research, and public service; or has failed to maintain a superior level of quality. To the contrary, the record of the University of Illinois is a record of achievement which is deserving of continued support.

As a newcomer to the State and to the University of Illinois, I have been particularly impressed with the Uni-

versity's stewardship of tax monies allocated to it. For me, the primary measurement of effective stewardship is the quality of the work which those expenditures have supported.

Using quality as my measure, I hold some clear first impressions of the University of Illinois. I would like to use this occasion to share some of those impressions with you — to show you your University as I have come to know it.

As my predecessor, David Henry, noted in 1963, sheer size in numbers of students, buildings, and campuses was a byproduct and not an objective in the University's progress through the years. The University's guiding objective throughout its long history as a public, land-grant institution was and continues to be the satisfaction of contemporary social needs through the vehicles of teaching, research, and public service.

The University's ongoing work in the areas of health, urban and rural community needs, educational assistance, and environment, illustrates its continuing response to contemporary problems.

Synthetic replacements for human "parts" have been developed through the coordinated efforts of people at the Circle Campus, the Medical Center, and Presbyterian-St. Luke's Hospital. These replacements make possible the repair of hip and knee joints, the synthetic fusion of spinal vertebrae, and the use of crack-resistant dental amalgams.

A laser beam device at the Medical Center's Eye and Ear Infirmary offers new hope to patients suffering the blinding side effects of diabetes and sickle cell anemia. The instrument, one of only a dozen in the world, is used to burn away diseased portions of the retina.

As yet, much of the fundamental knowledge basic to the complete solution of problems related to the common cold, cancer, upper respiratory diseases, and blood diseases in children does not exist. Many of the University's health-related research projects, some of which have been under way for more than two decades, are searching for answers to these pressing problems. For example, our studies in microbiology of the effects of viruses on cells, and the response of cells — in tissue culture — to virus infection, may teach us how to treat virus infections and to approach the problem of controlling cancer.

Among families with severely limited income, health problems can result from the inadequate diet forced upon them by their economic circumstances. In every major metropolitan area of Illinois, the Expanded Food and Nutrition Program, developed by the University's Cooperative Extension Service, helps low-income families buy more foods and more-nourishing foods with their limited purchasing power. Two unique features of the Program are the Program Assistants themselves, and the one-to-one basis of their work with nearly 10,000 low-income families. The Program Assistants — who are themselves residents of these communities — are employed by the University, and work under the supervision of Extension personnel who have taught them basic foods, nutrition, consumer marketing, and budget principles.

The economic plight of minority group small business-

men in the inner-city and that of independent farmers has not escaped the University's attention. Such efforts as the Cooperative Extension's Farm Income Tax Training Schools and the small-business management programs sponsored by our Colleges of Business Administration and the Division of University Extension provide sought-after information and assistance.

As we all know, our State economy depends in no small measure upon its heavy corn crop production. Research done over a period of fifteen years in our College of Agriculture lay behind the recent success in coping with southern corn blight. To Professors Arthur Hooker and Malcolm Shurtleff of the Urbana-Champaign Campus goes the credit for first identifying the new, virulent strain of blight (known as Race T), for publishing full information regarding its nature, and for identifying the kinds of corn (Inbreds C and S) that are resistant to it.

Throughout the years, College of Agriculture research teams have searched for sources of plant material that would provide resistance to many crop diseases — not just southern corn leaf blight, but also the stalk rots, other leaf blights, rust, and a host of bacterial and virus diseases. Those successes went unnoticed since serious disease problems were either avoided or stopped short before they reached a critical stage. But as corn breeders throughout the Corn Belt will attest, the benefits of the Illinois research program have been passed along in sack after sack of seed corn to Midwest corn producers.

Now under way at the Urbana-Champaign Campus is a Civil Engineering project funded by the National Science Foundation. Using an earthquake-simulating machine, investigators hope to learn the potential structural damage effected on a city's buildings by such natural hazards as last year's California earthquake. Those who remember or experienced the Illinois earthquake of November 9, 1968, the tremors of which reached into twenty-three states, will recognize the benefits this research may hold for the Midwest as well as for other parts of the Nation and the world.

Programs within the University's Colleges of Education also reflect a keen awareness of the unique needs of special segments of our Statewide community. A new Native American Program, designed to help meet the educational needs of American Indians, began this year at Circle Campus through funds obtained from federal and private grants. Chicago, incidentally, with an Indian population of 18,000, has the third largest urban concentration of native Americans in the United States. The College is also preparing bilingual teachers to work in schools serving predominantly Puerto Rican populations. Most of these teaching candidates are from the communities to which they will be returning as teachers.

The Urbana-Champaign College of Education and Illinois Public School Districts 214, 25, and 59 are successfully working at making a reality of what many educators and parents thought could be only a dream at best. Through their Cooperative Teacher Education Program, college professors, teachers of grades kindergarten through twelve, and undergraduate teacher candidates are jointly

exploring ways for strengthening curriculum, teaching, and the preparation of persons for teaching at all levels of formal schooling. The program seeks to identify potential teachers at an early age among public school students, and to give them encapsulated experiences as teachers; it provides undergraduate teaching candidates with teaching exposure at every school level from kindergarten through high school; and it promotes continuity of the learning experience by stressing the sharing and exchange of public school and college resources and personnel.

Also at Urbana-Champaign, the Institute for Research on Exceptional Children offers the only program in Illinois for training personnel in the preschool education of multi-handicapped children. Mandatory law requires that by 1973, every Illinois community provide preschool education for its multi-handicapped three- to five-year-old children. Based on its twenty-five years of ongoing research, the Institute now stands as every Illinois community's one source for obtaining immediate answers to such problems as the kinds of special equipment needed, blueprints for playgrounds, estimates of cost factors, and models for effectively working with these children's special motor-skill problems.

Other research and teaching efforts within the University are focusing on the quality of our environment, especially the present and potential hazards of air, water, and noise pollution. In an effort to reduce the air pollution created by its own power plant operation, the Urbana-Champaign Campus is converting its power base from coal-fired boilers to gas-oil boilers. Our Environmental Engineering research is one of only thirteen such university projects throughout the United States selected for funding by the Federal Government. From the researchers' studies of viruses that attack bacterial life in water may come a better understanding of the results of similar viral attacks on human cells.

The University's Colleges of Engineering and Agriculture are seeking ways of recovering energy from human and animal solid wastes. Closely aligned with waste disposal studies are Agriculture's investigations of the sources of nitrate pollution in our water sources. The interrelatedness of waste disposal, farm fertilizers, and nitrate pollution of water culminates in the potential problem of consumed high-nitrate water leading to increased infant mortality among female babies and among some farm animals.

The nature of pure, basic research lends itself better to a review of its past successes than to a discussion of the highly theoretical investigations of the moment. For example, to those of us whose knowledge does not encompass sophisticated levels of chemistry, to hear that one of our Chemistry Department's current research projects involves the discovery and identification of cytokinins means nothing. We can, however, comprehend the contributions of nylon, synthetic rubber, and antibiotic drugs to our lives. Each of these contributions came to fruition, in large part, as a result of the research efforts of the Chemistry Department on the Urbana Campus.

Literature, as we know, reflects the aspirations, struggles, and concerns of society. Through the teaching of creative writing, our English faculty introduce potential authors to problems of the imagination when it confronts its world and finds meaning there, and to the place of the writer in our time.

Teaching innovations provide another exciting and vital side to the life of the University, as illustrated by such innovations as PLATO, the Law College's Trial Advocacy Course, and Basic Medical Science's approach to training physicians.

First designed in 1960, PLATO is a teaching system based on a computer. From an instructional carrel, the student uses a key set to communicate with the computer. The computer then selects information from lessons it stores electronically and presents that information on a television display. By 1974, one PLATO unit located on our campus will have the potential to simultaneously offer didactic instruction to 4,000 instructional carrels at junior colleges and elementary and secondary schools within a 150-mile radius.

Rated the best Trial Advocacy course in the United States, the Law College course brings Illinois lawyers and judges to the campus each week to give law students firsthand assistance in experiencing trial lawyers' roles in simulated court proceedings.

New in Urbana-Champaign this year is our School of Basic Medical Sciences. Its students, who already hold a college degree, work in a one-to-one relationship with local physicians. The program has two unique features. The study curriculum is organized for independent study rather than for formal classes in traditional medical subjects. At the same time, the student sees firsthand, through his apprentice role in the office of his physician-adviser, those problems common to the practicing physician.

Many of our students, while they are still students, combine formal learning experiences with activities which benefit Illinois communities. Each of the University's pharmacy students must devote 2,000 hours in community service as an apprentice to either a pharmacist in private practice or to a hospital pharmacist. Student nurse interns are diffused among some thirty separate community agencies. Each of the Medical Center's two-hundred resident physicians rotates among several Chicago hospitals, gaining a variety of experiences and providing a variety of services. Graduate students in political science combine learning and service through internship-working experiences in such city and suburban government offices as those of councilmen and city managers. Architecture students develop their professional skills through classroom projects dealing with real and current problems. Included among such projects done in Chicago recently are designs for utilizing vacant land in Logan Square—designs which accommodate both revenue-producing ideas and the social relevance of the acreage to the community—; the Garfield Environmental Center which was designed in 1970 by fifth-year architecture students at the Circle and which was one of ten such designs earning recognition by

the American Institute of Architects; and a class project in the mid-north area of Chicago which developed the first historical architectural survey ever made of any neighborhood in Chicago. In Champaign, architecture students recently designed and built a new playground for the handicapped preschool children attending the Colonel Wolfe School.

Through their Community Involvement Program, our second and third-year law students work in such community offices as those of the Legal Services, County Public Defenders, and the State's Attorney, to help clients, especially lower income citizens, with their legal problems. Beginning in 1968, the students' activities have ranged from work with mental patients and with prisoners to assisting low-income citizens with their income tax returns.

Students' contributions to surrounding communities are not limited to those activities directly related to their formal learning experiences. Their volunteer services run the gamut from helping elementary school children master reading skills, to teaching high school students the use of computing machinery. Physical education majors in Urbana work cooperatively with the Champaign Park District in sponsoring a basketball program for fifth and sixth graders from Champaign schools. Among its many services, Volunteer Illini Projects regularly sponsors local bloodmobile drives; and at the Medical Center, students of the College of Pharmacy offer church and civic groups one-hour student presentations on drug abuse.

As our students graduate, many of them continue their professional lives in Illinois. There are approximately 180,000 living graduates of the University, and it is estimated that one-half of them reside in the State of Illinois. Thus, as graduates, our students will continue to spread the benefits of their learning to those communities where they choose to live.

These illustrations barely scratch the surface of your University's activities. There is literally not a single element of life in Illinois, from cultural activities to sewage disposal, from crime prevention to transportation, which is not touched in some way by the work of your University of Illinois.

I commented earlier about sheer size being a by-product and not an objective of our University. However, the unprecedented growth of the University and, indeed, of all higher education nationwide over the past twenty-five years, does reflect our and other institutions' response to the public's demand for more education for more people. In 1950, approximately 25 per cent of college-age young people actually were in attendance in some form of formal, post-secondary school program. Today, almost 47 per cent of all college-age youth are in such programs. The growth of the University of Illinois during this period is nothing short of phenomenal. The increasing number of students and faculty and staff members, the increasing amount of physical plant facilities to be operated and maintained, the increasing sophistication of laboratory and other learning equipment, the increasing scope of activities undertaken by universities particularly in increasing educational opportunities for culturally and

educationally disadvantaged young people, and the inexorable pressures of continuing inflation have combined to generate what appear to be great increases in the cost of higher education. The number of dollars spent in support of public higher education has indeed increased many times over the twenty-five year period. However, the actual cost in real and constant dollars per student has not escalated to the extent that most people imagine. For example: when economic inflation is removed, we find that the total expenditures for all activities at the Urbana-Champaign Campus in 1970 cost Illinois taxpayers fewer real dollars than was true in 1959. By examining per-student expenditures in 1958 dollars, we discover that the cost to the State actually declined from \$1.750 in 1959 to \$1.679 in 1970.

One illustration of the University's efficiency and careful stewardship of State funds is the little known fact that the University of Illinois maintains the lowest administrative overhead costs of all Illinois public universities. Furthermore, the University has developed its own version of "revenue sharing." For each State-appropriated dollar from general revenue, the University attracts almost an equivalent amount of self-generated money from non-State sources. When coupled with this significant flow of other-source dollars, the University's declining per-student cost of education to the State clearly reflects the efficiency which has accompanied its rapid growth in enrollment and in services.

LOOKING TOWARD THE FUTURE

As we look toward the future, the most pressing problem facing the University and the public that supports it is how to maintain the high quality teaching, research, and public service now being offered. If we — the University and the public — continue to subscribe to the belief that public higher education must provide educational opportunities for all segments of society, while at the same time economic inflation continues to spiral upward, one fact is clear. Public universities will not be able to meet existing needs and the services demanded of them unless new income is found.

One current argument urges the use of much higher tuition payments to support public higher education. Some change in tuition charges seems essential. But the long-term needs of public higher education cannot be met by making students' tuition payments a major source of University income. The financial crises facing this Nation's private colleges and universities should make that obvious. In spite of the fact that private institutions only concentrate upon selected special areas of study, their high student tuitions are not covering their total costs. It takes an impossible leap of logic, then, to assume that student tuitions can pay the price for public higher education's broader mission of meeting the full range of society's needs.

Now, some argue that low tuition should be abandoned as a principle in Illinois because low tuition "subsidizes" the well-to-do. To the extent that the Illinois tax structure is regressive or non-progressive, it is true that

the burden of tax support of higher education falls unevenly upon income groups. If such is the case, the remedy is in the tax structure; not in the abandonment of the principle of low tuition.

The Illinois General Assembly and the Bureau of the Budget face a massive problem in trying judiciously to mete out appropriations among the many agencies dependent upon State support. They are faced with rising costs in all State agencies. Even the basic costs of operating the executive and legislative branches of government have experienced marked increases in recent years. The Legislature's appropriations tasks are not lightened by our continuing and conflicting demands as taxpayers for more and better governmental services, but for no further increases in taxes. Every person with whom I talk about taxes would have all those governmental services continued which he sees as benefiting himself. Of course, persons not on public aid would reduce the costs of that program; those without young children would reduce the costs of elementary education; those who do not drive would reduce highway expenditures. But the plain and simple truth is that the stability and well-being of each one of us is increasingly dependent upon the stability and well-being of each of our fellow men. The emphasis must be placed upon the real problem: our tax structure, and the ordering of our priorities.

The University's task is to be as educationally efficient as is humanly possible, and to point out clearly, directly, openly, and honestly the levels of support we need to accomplish what is asked of us. Having done that, we continue to be confident that a knowledgeable public will not abandon its commitment to high quality, higher education and will not permit others to abandon that commitment for them.

CONCLUSION

Often, something can be so much a part of our surroundings for so long that we take it for granted. So it is, at times, with members of our family, or with such conveniences as our private automobile or the nearby shopping center; and so it can be with such outstanding State educational facilities as the University of Illinois. As a newcomer to the State and to the University, I have not yet succumbed to the comfort of taking for granted the University's presence, its achievements, or its contributions to the State.

I have been deeply impressed by the quality of the people of the University of Illinois. We are a proud and a capable community. There are a number of times when our individual responsibilities cause us to have different perspectives as we consider alternative solutions to problems. There are times when our differences will loom large. But I feel in this University an overriding loyalty to the totality of the University of Illinois among all segments of our community and I sense a desire on the part of all to meet and to solve problems. I have never believed in the theory that any person or any group of persons was doomed to play constantly either the good or the evil role. I see no villains nor any superheroes in our commu-

nity; only able, striving human beings — each attempting within his abilities and his assignment to make the programs of the University of Illinois superior programs. Our predecessors have succeeded in meeting this challenge: and working together, we shall continue to meet that challenge. From my vantage point, it seems clear that we have the people who can face such awesome responsibility directly, cheerfully, confidently, and successfully.

Thus, my active, vocal support of the University during these first six months has not been a mere exuberant utterance of one experiencing the first blush of a new position. Nor has it been the foolhardy stance of defending this University, right or wrong. The University of

Illinois has maintained a stature of excellence, both in its past and present life. The University's pursuit of excellence is an honorable tradition; and I am committed to maintaining that tradition.

The President's Annual Message has been heard by listeners of thirty-six radio stations and viewed by the audiences of twenty-five television channels in Illinois, Indiana, Missouri, and Kentucky.

Inquiries to the *Faculty Letter* may be directed to the editor, Lucille Turigliatto, 369 Administration Building, Urbana. Telephone 333-1562.

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FACULTY LETTER

FROM THE OFFICE OF THE PRESIDENT · UNIVERSITY OF ILLINOIS

No. 231, July 10, 1972

The Scope and Mission of the University and the Basic Planning Assumptions of Its Campuses

A POLICY DOCUMENT SUBMITTED BY THE UNIVERSITY OF ILLINOIS TO THE STAFF OF THE ILLINOIS BOARD OF HIGHER EDUCATION, JUNE 15, 1972

INTRODUCTION

By the spring of 1972, both the staff of the Illinois Board of Higher Education and the staff of the University of Illinois had agreed that the principles and the procedures introduced by the IBHE staff to prepare the operating appropriations requests for FY 1972-73 left much to be desired. Executive Director's Report No. 104 recognized that all sectors of Illinois higher education "are mutually anxious to avoid the problems and the constricted timetable which hampered FY 1972-73 deliberations." More specifically, it stated:

"The systems have been asked to provide their separate plans for approaching FY 1973-74 budget decisions. We will work to coordinate their responses to effect uniform development and review procedures. We are determined that the next several months be dedicated to institutional system and statewide planning, encouraging the priority and program evaluation activity to be done at the campus and system level."

In response to the IBHE staff's request, the University suggested that several general issues be considered before the guidelines for the planning of succeeding appropriation requests were formulated, including the establishment of a basic fiscal frame of reference for institutional and IBHE-staff planning, the assessment by each institution (and by the IBHE staff) of the impact of the budget limitations for the biennium 1971-73 upon the individual institutions and upon the entire system of higher education, the updating and further refinement of statewide enrollment projections for each campus, and the examination of the basic planning assumptions regarding scope and mission for the various institutions. It is toward the last of these issues that this policy document is addressed.

In its commentary upon the recommendations in Report No. 103 for the elimination or sharp curtailment of some of its educational programs, the University indicated that its unwillingness or inability to accept most of those recommendations stemmed in large measure from fundamental disagreements with what appeared to be the assumptions underlying them. (See *Faculty Letter* No. 225, January 14, 1972.) It seemed clear then, and the IBHE staff subsequently agreed, that the apparent conflict between Report No. 103 assumptions and the Master Plan - Phase III and other IBHE policy

statements concerning the University's scope and mission had to be resolved as a prerequisite to effective communication and cooperation between the Board of Higher Education and the University of Illinois in future planning.

The first item in Report No. 104 addressed this point directly in acknowledging that "Campus master plans at senior, junior, and private institutions need systematic revision to bring these plans into full concurrence with MP - III, especially as it relates to scope and mission and interinstitutional planning." The University commented in response to that observation that:

"... in the light of the discussion above concerning the relationship of MP - III to the University of Illinois, that there is considerable ambiguity or indeterminacy in MP - III regarding that document's 'basic planning assumptions' for the various institutions. Many aspects of Master Plan - Phase III have not been defined operationally, and frequent disagreements have arisen between the IBHE staff and institutional representatives regarding the interpretation of MP - III."

(University of Illinois Commentary on Executive Director's Report No. 103, p. 57)

During later discussions between the IBHE staff and the staff of each public higher education system, it was agreed that the initial step toward accomplishing an operational definition of MP - III would be the preparation by each institution of a statement of its conception of the scope and mission assigned to it and of the corollary basic planning assumptions. As these institutional statements were being developed, conferences were held by the IBHE staff at each campus in May to explore the critical issues that might have emerged prior to the adoption of MP - III and since then, for the purpose of achieving better mutual understanding of apparent divergencies of interpretation and in the hope of resolving such differences to the fullest extent possible. This document has been prepared in the light of those discussions and partly on the basis of the statements submitted by each of the University's three campuses following the meetings with IBHE staff members.

The first chapter considers the scope and mission of the University of Illinois as a whole, together with its major planning emphases. The following three chapters are focused upon

the distinctive contributions made by each campus to the University's educational mission and responsibilities, and upon the basic assumptions underlying their respective sets of priorities in educational planning and in the allocation of resources. Considerable attention is given to several specific problems that were identified during the May "Scope and Mission Conferences."

While the basic purposes of a university such as the University of Illinois remain constant, the specific activities and programs undertaken to meet those purposes will vary with time. The state of knowledge, current social conditions and needs, and the nature of the student body are among the factors which create specific changes in approach while having basic purposes unchanged. The task of defining the scope and mission of an educational institution should not be limited by an "atomistic" method. If the objective is to derive from this cooperative effort between the IBHE and the institutional staffs a planning frame of reference that helps avoid confusing debate over mission whenever a specific program is proposed, then the proper level of discourse at which to begin is that concerned with the general educational nature of the University and its role within the total system of higher education. The following chapter, beginning with a definition of the University's mission in the State, and concluding with an outline of how it evaluates continuing and new educational programs, is designed to meet those specifications.

CHAPTER I. Scope and Mission of the University of Illinois

The University of Illinois is a unique institution within the spectrum of public higher education in the State. In the words of its faculty senates:

"The people of the State of Illinois have demanded first quality opportunities in higher education. The University of Illinois has a unique role in meeting that demand because it is the most comprehensive of the state's institutions of higher learning. Gathering its students from both the geographic and populations center of Illinois, it is the only institution in the public system proved capable of delivering at the highest level a broad range of instructional, research, and public services.

"The three campuses of the University of Illinois, strongly interdependent and mutually sustaining, comprise one of the outstanding state university systems in the country."
(*Joint Faculty Senate Resolution, November 16-24, 1970*)

As the land-grant institution of Illinois, this comprehensive University has constituencies throughout the entire State, with principal components in different settings exhibiting varying emphases and resources. Although its mission and educational responsibilities encompass all levels of instruction, research, and service, the University places particular emphasis upon its graduate and professional programs. The University of Illinois is the State's foremost graduate and professional public institution, and it is the one public university in Illinois with the established capability for generating the Federal and private resources that are necessary to support instruction and research of high quality at the advanced graduate level.

Planning Assumptions

Five general assumptions were included in the University's *Provisional Development Plan* that was presented to the IBHE in September, 1970.

1. That the University of Illinois now has a unique role in the State system of higher education and that this status

should be reflected in Master Plan—Phase III. More specifically, it is assumed that the University will have priority in responsibility for the future expansion of advanced graduate and professional education among the public universities of Illinois, together with associated research and public service.

2. That the University's claim to priority among the public universities of Illinois in advanced graduate studies and research should be particularly recognized for programs involving multidisciplinary study and investigation.
3. That the Chicago Circle Campus be expanded as rapidly as possible into a comprehensive urban university.
4. That the University not propose the establishment of new campuses during the next decade, on the assumption that the enrollment projections for the State over the next twenty years do not justify such expansion.
5. That the University's enrollment growth henceforth emphasize upper-division, graduate and professional education—with little increase beyond 1970 in lower-division enrollment.

While the last two assumptions require no further comment at this time, and the third will be discussed in a later chapter, the overall economic, educational, and social conditions that have evolved since the submission of those proposals almost two years ago argue even more convincingly, as the University stressed in its commentary on Report No. 103, that such an assignment of responsibility is in the best interest of the State of Illinois. The mission of the University of Illinois as a whole in the State system of higher education was amplified as follows in the *Provisional Development Plan*, and has been consistently presented since that document was issued:

"It is firmly believed that the best interests of the State will be served if the University not only is encouraged to maintain the high quality of its present programs but is granted priority in responsibility for whatever expansion of advanced graduate and professional education might be projected under Master Plan—Phase III. This does not mean that the University seeks a monopoly upon all programs at this level in all fields; but it is believed that in a period of some uncertainty as to how much expansion of these functions might be needed during the next two decades—especially during the 1980's—considerations of economy and the assurance of quality argue convincingly for concentration of them at the University of Illinois. A comprehensive university such as the University of Illinois provides the most economical and most effective institutional means whereby the State can be assured of maintaining the broad range of specialized facilities, facilities, and programs that will be required to keep it abreast of the rapidly changing technical and professional needs of modern society. This is true not only because of the disproportionate cost to the State of trying to duplicate such resources in other institutions—without assurance that the expected quality and productivity would be forthcoming; but there is the further consideration that no other public institution could begin to match the University of Illinois in securing the outside support from Federal and foundation sources that will be essential to supplement the State's contributions."

Recognized repeatedly across the country and around the world as one of the nation's foremost centers of learning, the University of Illinois is the only public institution with the range and quality of expertise, supporting resources, and

differentiated strengths to undertake the high-quality professional and doctoral multidisciplinary programs that must be built upon first-rate disciplinary foundations. Again, in the language of the *Provisional Development Plan*:

"The University recognizes the existence of a great diversity of human needs and social problems, with correspondingly varied requirements of expertise and other resources for relevant response by educational institutions. Hence, it does not assert a monopolistic claim to all types of instructional or public-service programs of problem-solving nature. Instead, it is urged that the University be given priority in responsibility for those instructional, research, and public-service programs of this type that require doctoral-level education (or the equivalent), together with highly technical multidisciplinary resources and a broad base of supporting disciplinary programs of high quality. Even with an unnecessary expenditure of State funds in the effort to duplicate such disciplinary resources in other State institutions, the probability of securing comparable quality is not high. Furthermore, as noted above, the University of Illinois is able to attract a far higher level of outside support for multidisciplinary programs than other State supported universities."

Program Emphases

Flowing from these basic planning assumptions are a number of program areas that will be emphasized by the University during this decade:

- expansion and innovation in the training of health professionals and the delivery of health care for the State;
- interdisciplinary instruction, research, and public service related to the critical challenges confronting urban society and metropolitan areas;
- improving the quality of graduate and undergraduate education in order to increase the effectiveness and efficiency of society's utilization of its human resources;
- responding to social needs by cultivating programs for a variety of "public-service professions," such as public health, social welfare, continuing education, public administration, education, etc.;
- cooperative interaction amongst a wide range of departments focused upon preventing and solving problems related to the environment.

Additional developments of great importance to the University and to the State will be undertaken, and significant shifts of emphasis within existing units and programs will occur. However, the University will concentrate upon the accomplishment of those objectives outlined above, as well as the maintenance of the strength and excellence represented by the requirements of its internal constituencies. Much of the quality of other governmental agencies in Illinois—including school systems and higher education institutions—will depend upon the ability of the University of Illinois to continue to provide professional personnel to staff those agencies and to provide research findings to support programs of those agencies. The University will need the understanding and the support of the IBHE regarding the nature, the organization, and the quality of its instructional and research programs, and the value of the services they provide to the State and the nation.

An Organic University

The University of Illinois is not a loose federation of universities, nor is it a system of totally independent units. Its

role in the State as the standard of excellence and service in public graduate and professional education rests upon its organic wholeness. The general statement of the mission to which the University is committed, and upon which its development thus far has been based, starts with an emphasis on the fundamental responsibility of the University as a *whole*. The specific contributions that each campus makes to the University's mission are diverse, since they reflect the needs, thrusts, and methodologies appropriate to different settings; but the campuses are alike in the broad nature of their public responsibilities, in their basic educational policies, and in their institutional quality; and they are integrated by a university-wide organization designed to maximize their educational effectiveness and the efficient use of their academic resources.

All of the campuses of the University of Illinois share common goals, even though each of them makes a highly differentiated contribution to the University's mission. All of the campuses are assisted and strengthened from intercampus cooperation and from university-wide services, even though each of them carries out the vast majority of its functions as an administratively autonomous unit. All of the campuses are urged to achieve intercampus complementarity, to avoid unnecessary duplication, and to develop thrusts responsive to their particular orientation and setting, even though each of them is permitted to build upon and to foster faculty strengths and initiatives. All of the campuses are encouraged to operate at qualitatively equivalent levels, even though each of them provides different services for varied clientele.

Particularly significant for the University's primary responsibility for state-supported graduate and professional education is the fact that at advanced levels all of the campuses share in its capability for securing Federal and private support. As the University explained to Committee N in a statement submitted on October 28, 1970:

"It is important to stress the subject of supplementary Federal and private resources as necessities for the effective realization of many educational goals and priorities which are now clearly seen as being imperatives for the 1970's and beyond. State funds simply won't be available in sufficient quantity and distribution to meet all of these needs; indeed, the State alone should not be expected to provide such support. The burden of providing a substantial portion of the 'matching' funds required should and could be shouldered by an institution such as the University of Illinois system."

In order to comprehend the University's assertion that it operates as an "integrated university system" (because the isolation of its components into discrete campuses does considerable violence to the realities and values of both its programs and its governance), it is necessary to know the specific functions carried out by the central administration of the University. They were outlined recently by the President of the University as follows. (See *Faculty Letter* No. 230, May 10, 1972.)

1. The enunciation of the mission of the University of Illinois; the development of long-range, comprehensive plans for the attainment of that mission; and the development of a plan of evaluation on a regular basis of the success of the University in meeting that mission.
2. The attainment of the resources necessary to permit the support of plans and the development of facilities to meet the mission of the University.
3. The allocation of resources, as available, to the campuses and to other units of the University within the require-

ments and the priorities of the long-range comprehensive plan for the attainment of the mission of the University.

4. The development of relationships both within Illinois and in the nation and world to insure that the University of Illinois plays its appropriate role as a member of the larger education community.
5. The coordination of the operation of the various components of the University to insure that the University functions as an organic university rather than as an aggregation of unrelated campuses and capitalizes upon the advantages of its resources as a system.
6. The administration of University-wide educational programs. Examples include the Institute of Government and Public Affairs, the Survey Research Laboratory, and the Division of University Extension.
7. The operation of various specific tasks which should function at a University level either for efficiency or to insure the consistency necessary to permit the University and its Governing Boards to meet their responsibilities.
8. The development of information programs to attempt to secure full understanding of and support for the mission and activities of the University of Illinois.

The relationship between function number five and the special benefits derived from the University of Illinois' operation as a unified educational system constitutes a basic premise of this "Scope and Mission" paper, and is developed throughout each of the chapters. Function number six, however, requires explication at this point—for the organization and administration of university-wide programs is designed to eliminate undesirable duplication of effort and to mobilize the full resources of the University as a whole, in support of important instructional, research, and public-service programs.

In addition to assisting in the coordination of intercampus programs, the University of Illinois has several agencies and programs that operate on a university-wide basis—both in terms of intrauniversity services and with reference to services to the public. The Institute of Government and Public Affairs, the Institute of Labor and Industrial Relations, the Survey Research Laboratory, and the Division of University Extension are well-known examples of agencies with university-wide responsibilities for public services in their respective areas. It is possible within the University system to coordinate the interests and activities in these various areas so as to provide more effective services and to control costly duplication. Considering the great demand for specialized professional services in these various areas, there undoubtedly would be a proliferation of competing units, programs, and services among the three campuses if they were not a part of the administrative responsibility of the University of Illinois as a unified multicampus system.

Establishment of New Programs

The relationship between institutional mission and new program proposals has become most critical at the doctoral level. The rigorous and consistent application of evaluative criteria is a major responsibility of the University's central administration (and is related directly to function number five in the preceding section). It is also a crucial role of the Board of Higher Education's program staff. Since the University of Illinois alone among the public institutions in the State has demonstrated the ability to conduct high-quality advanced graduate and research programs, and to generate the nonstate resources required to support them, it should be allowed to develop, transmit, preserve, and apply knowledge in response

to such conditions and to the social requirements created by them. This academic development must occur whether or not programs with similar titles exist potentially or in fact at other universities in the State. It must be recognized, if these discussions of scope and mission are to serve any purpose for the IBHE, that an investment in graduate and professional programs at the doctoral level must be concentrated at the University of Illinois where the calibre of faculty, disciplinary strength, established expertise, and system resources promise the greatest probability of return to the State. Mission and quality must be the decisive factors, and at the advanced graduate and professional level if there is a surplus of programs, that surplus is elsewhere than at the University of Illinois.

Such a position by no means implies blanket authorization for expansion by the institution or any of its campuses. A new program proposal at the doctoral level from any university should stipulate a set of criteria for assessing the progress and performance of that program, and delineate its basic disciplinary thrusts and boundaries. The proposal should include a clear indication of its relationship to the university's mission and long-range planning assumptions (and at least in the University of Illinois' case to the specific differential contribution a particular campus provides in meeting the University's educational responsibilities). In addition, the submitter should be prepared to discuss the general long-term resource implications.

When the University examines the potential of a new program at the doctoral level, questions are asked regarding the requisite foundations, including:

- the need for a critical mass in the specific field and in the broad disciplinary area;
- the strengths and weaknesses of the existing faculty in that discipline;
- the evidence of responsible actions toward building a quality program;
- the capacity to generate nonstate resources;
- the potential for the achievement and maintenance of high academic stature;
- the advantages of a unique setting or combination of resources;
- the distinctiveness of the program (or its potential) in relation to the nature and quality of existing programs that appear to be in the same field at other public or private institutions;
- the clientele and the social need for the program;
- the complementary use of the University's (e.g., our system's) academic resources.

These criteria for the evaluation of new programs generally are applicable to existing programs as well, and it is appropriate to review the process for assessing the quality of present programs as a conclusion to the discussion of the University's mission.

The Evaluation of Existing Programs

The Executive Director of the IBHE emphasized, in his closing remarks to the Collegiate Common Market planning conference in Carbondale on June 2, 1972, the importance of involving faculty at both the initiatory and the evaluation phases of cooperative academic programs. It long has been the University of Illinois' position that the serious review of any educational program should not be conducted without the intensive participation of those faculty members re-

sponsible for considering matters of educational policy. The competition for scarce resources at any reputable institution of higher education assures in some degree a process of continuing comparative evaluation, and the delineation of institutional objectives should provide a more consistent and comprehensive frame for the longer range task of program review. One must always keep in mind, however, that "the unique system of academic decision-making in universities rests essentially upon the historically validated recognition that the development of sound educational policies requires the primary involvement of the faculty members who are best informed about the educational substance and values at issue." *University of Illinois Commentary on Report No. 103*)

At all three of the University's campuses, faculty groups are concluding work on long-range studies of their respective academic programs and priorities. The report of the Urbana-Champaign Study Committee on Program Evaluation (SCOPE) has been recommended by the Chairman of the Board of Higher Education to every institution of higher education in Illinois. Such studies will provide the guidance required for sound decisions at the campus and the university level in the academic planning and resource allocation processes. These decisions will be based upon an understanding of the overriding purposes of the University of Illinois and will take into account the basic planning assumptions of the campuses, their respective contributions to the mission of the University within the state system of higher education, state and national needs, and the prospects of financial support from State, Federal and other sources.

CHAPTER II. Chicago Circle Campus

No issue related to the mission of the University of Illinois and its basic planning assumptions has been so mired in uncertainty and controversy as the future of the Chicago Circle Campus. Designated in Master Plan - Phase III as one of seven "public graduate universities for expanded and new graduate programs at the Ph.D. level," and supported in that document as "a comprehensive urban university," it is still not clear whether the general planning assumptions outlined for the University in the preceding chapter are accepted by the IBHE as applicable to Chicago Circle.

The Chicago Circle Campus derives its conception of its nature and its fundamental academic objectives from the role of the University of Illinois in the total structure of higher education in the State. It is a basic unit of the State's land-grant, premier graduate and professional university, and the campus has built its contribution to the University's mission upon specific strengths and resources in a particular setting. It is assumed that the State's major public university has unique responsibilities for advanced graduate and professional education in the Chicago metropolitan area. Hence, the real issue confronting Chicago Circle should be how it meets those responsibilities as an integral part of the University of Illinois (for example, Chicago Circle would default in its obligation to the Chicago area if it did not generate substantial non-state resources to direct toward the solution of urban problems).

Basic Planning Assumptions

The reference shelves of the University and of the IBHE are filled with policy statements and commentaries concerning the role of the Chicago Circle Campus. The IBHE's *Report of the Special Committee on New Institutions*, the *Report on Governing Structure*, and Master Plan - Phase III all agree upon the desirability of graduate and professional programs

at Chicago Circle; in turn, the University's *Provisional Development Plan*, commentaries on the initial draft of MP - III and on Report No. 103, statements to Committee N, and the recent assessment of 1971-73 budgetary impacts all present the University's attempts to articulate a conception of the campus' role and to secure implementation of that conception. The University repeatedly has expressed the strong belief that its urban campus should be dedicated to the basic educational values of the land-grant movement, with the determination to find creative expression for them in the complex and turbulent urban environment of the 1970's. This does not imply that Chicago Circle is to be a mere replica of the campus at Urbana-Champaign, since it has been recognized that there should be considerably greater emphasis at Chicago Circle upon the fundamental disciplines, professional education, and applied research that are related to the major problems of urban society. The University has always assumed, however, that its campus at Chicago Circle should and would achieve a level of quality in its unique spectrum of educational functions that would be essentially equivalent in general to that existing at the Urbana-Champaign Campus. There are three general reasons that seem clearly to justify this assumption:

1. The people of the State of Illinois need and deserve to have a public university of high quality that will provide a broad spectrum of educational opportunities to a great variety of urban students who wish to attend such an institution of higher education in an urban setting.
2. Only a public university of the kind conceived for the University of Illinois at Chicago Circle would enable an urban society to make the kinds of investment in its human resources that are necessary to its viability and to its capability for self-improvement.
3. Only this kind of university would have the public commitment and the varied scholarly and technical resources required to assist large metropolitan communities in their efforts to solve critical problems.

The University remains determined to meet these commitments to the State of Illinois through its Chicago Circle Campus. Conditions have changed since the earlier statement that discussed Chicago Circle, but the present situation only reinforces the conviction that the campus must continue to develop the instruction, research, and service programs that are commensurate with this conception of its responsibilities as part of the State's comprehensive public university in an urban metropolitan setting.

When the first doctoral programs for Chicago Circle were brought to the Board of Higher Education on January 10, 1968, the staff recommended approval of them with the comment that "there was never any question concerning the need for doctoral programs to be provided by a public institution in the Chicago area," and that it assumed that Chicago Circle would be developed as a "fully developed, complex, multipurpose university." Although there are other public institutions of higher education in metropolitan Chicago, their mission does not include the development of educational programs of the advanced graduate and professional nature that are the hallmarks of the University of Illinois. In addition to satisfying the educational needs of its potential student clientele, Chicago Circle has a special responsibility to address itself to the problems of the urban environment through advanced research and public service. Responsive to its particular setting, the Chicago Circle Campus plans to draw upon the academic resources and expertise of the University as a whole to develop and strengthen the educational trusts

representing its contribution to the University's mission in the State of Illinois and in the nation.

Major Program Areas

One of the historic qualities of the University of Illinois is its ability to integrate the research and public service activities of its faculty, staff, and student body with its educational programs. The nature of its commitment to research and public service therefore influences in large measure the nature and scope of such a university's instructional programs. A strong public urban university must develop programs in those professional fields and disciplines that have a high potential for making a measurable impact upon urban communities. Therefore, such professional fields as engineering, architecture, urban planning, social work, and urban education etc., — coupled with a broad concentration in the applied social sciences, and building upon the unique resources and organization of the College of Urban Sciences — will be distinguishing characteristics of the long-term development of the Chicago Circle Campus.

However, these applied fields must be supported by strong programs in the related basic disciplines which provide an underlying body of investigative methodology and systematic knowledge. There are no examples in American higher education of institutions that are strong in the applied areas but weak in those basic fields of learning which must directly support them. Doctoral programs both in the fundamental and in the applied areas at the Chicago Circle Campus have been and will continue to be designed so that they respond to the criteria set forth in the "new program" section of the preceding chapter.

The diverse ethnic, racial, and religious composition of the population of metropolitan Chicago provides an opportunity for Chicago Circle to serve the community and to draw strength from it in those areas and disciplines related to its intellectual and cultural life. The quality of life in the community depends not only upon the physical, economic, and social environments but also upon those areas that enrich the experience of its inhabitants. The major public university in a metropolitan area has a special responsibility to contribute to this enrichment process through its unique capabilities. Thus, the special nature of the metropolitan Chicago community provides guidance for the development of instructional and research programs at Chicago Circle in the arts and humanities.

Chicago Circle has a strong commitment to develop programs that directly complement and provide support to the programs of the University of Illinois at the Medical Center. Such a cooperative relationship is already under way in the areas of bioengineering, public health, and the basic medical sciences. Since these areas are of an advanced professional and scientific nature, Chicago Circle's contributing programs must be developed through the advanced graduate level to make cooperation both possible and effective. The relationship between Chicago Circle's special capabilities in such areas as social work, education, and administrative sciences and the capabilities of the Medical Center in the health sciences and allied fields are presently being examined with the goal of identifying additional opportunities for the university-wide use of academic resources.

As the campus of a comprehensive public university in metropolitan Chicago, Chicago Circle has a special mission to provide leadership and support for cooperative educational ventures among the various public and private institutions of higher education in that region. Many such cooperative ven-

tures are now already in existence or in the planning stages, involving institutions of higher education of practically every size and type. If the campus is to fulfill its assignment under Master Plan - Phase III "to be a focus for numerous Collegiate Common Market activities," it is essential that Chicago Circle be able to contribute that which characterizes the University of Illinois, a broad range of high-quality educational programs with concentration at the advanced graduate and professional levels.

Finally, Chicago Circle has a special role in providing educational opportunities to the various ethnic and racial groups in Chicago which historically have had restricted access to a major public university. Through special programs such as the Educational Assistance Program and the Native American Program, the campus will continue to seek out and provide supportive services for these groups. This it must do in consort with the other publicly supported institutions in Chicago, particularly the Chicago City Colleges. The pilot program of joint registration and programming with Malcolm X College is characteristic of the emphasis which Chicago Circle will increasingly place upon cooperative methods for achieving equal educational opportunity for the inhabitants of Chicago. While these activities in and for the Chicago metropolitan area are important for that area, they also represent the commitment of a land-grant, comprehensive university to the solution of state-wide and nation-wide problems. Chicago Circle programs, for example, will speak to urban needs be they found in Chicago, Peoria, in East St. Louis, or, for that matter, in New York or Philadelphia. This broad concept of the land-grant, comprehensive mission is crucial to the success of Chicago Circle as a campus and to the success of its contribution to the people of Chicago and of Illinois.

The Fundamental Policy Issue

In its commentary on the initial draft of Master Plan - Phase III, the University of Illinois expanded upon its understanding of the Master Plan's commitment that "the University of Illinois at Chicago Circle is supported as a comprehensive urban university, the mission for which it was designed":

"In addition, one of the critical demands upon an urban-oriented public university is to provide the highest quality and broadest range of educational programs for students in its geographical area. If the Chicago Circle Campus is expected to expand first-rate, low-cost educational opportunities in the Chicago area, if it is expected to prepare undergraduates and graduates for a vast spectrum of urban-related employment and service requirements, and if it is expected to develop or undergird innovative and multidisciplinary graduate and professional programs that respond to the needs of the Chicago area — then 'the mission for which it was designed' must be supported without qualification, reservation, or limitation.

"Existing strengths, demonstrable need, efficient use of resources, potential cooperation — these are all important criteria for assessing the merit of any proposed graduate or professional program. However, the Chicago Circle Campus is at a unique stage of growth. A generalized and restrictive interpretation of its mission and range of programs should not be allowed to impede the establishment of a public university that will train graduates who can compete effectively in the local or the national employment market with the graduates of nationally prestigious universities, and that will provide the kinds and quality

of research (basic and applied) required to assist a large urban community in its efforts to solve its critical problems.”

While discussing the basic planning assumptions of the Chicago Circle Campus, and the major program emphases that flow from those assumptions, the fundamental public-policy issue in regard to Chicago Circle must remain in focus: Are the responsible agencies of State Government willing to support the University of Illinois' efforts to give the Chicago metropolitan area the kind of public university it needs and which its contribution to the State's welfare would clearly justify?

CHAPTER III. Medical Center Campus

The reference to the Medical Center Campus in the "Scope and Mission" chapter of Master Plan—Phase III is short and somewhat circular. "The aspirations, histories, and locale of Illinois' several systems yield seven campuses that offer graduate programs that are comprehensive or modified comprehensive in scope, including the *Medical Center campus of the University of Illinois, a distinguished institution whose scope and mission clearly are a product of its objectives.*"

The Medical Center Campus offers such a wide range of educational programs in the health field that it fulfills completely the definition of "a comprehensive health education institution." The educational objectives of this modified comprehensive campus are to prepare high-quality professionals to meet the manpower needs of the health fields, to develop new knowledge through a wide range of research programs, and to provide innovative health care services through the operation of hospitals and clinics which represent the setting for much of the patient-centered educational experiences for students of this campus. The scope of the educational offerings includes medicine, dentistry, pharmacy, nursing, allied health sciences, public health, and the graduate programs at master's and doctoral levels. However important these offerings for "in house" students may be, the basic responsibilities of the campus include two additional important components: continuing education for practicing professionals, and house staff programs leading to certification in the various specialty areas (including "family practice").

State Policy

Unlike the other campuses of the University of Illinois, the basic planning assumptions at the Medical Center are mandated by and directly responsive to present state policy. The report *Education in the Health Fields for State of Illinois*, endorsed by the IBHE in 1968, reflects in the responsibilities assigned to the University of Illinois the assumptions that girded the University's original series of proposals submitted one year earlier. Since these principles essentially still serve as the blueprints for the campus' contribution to the University's role in the State, they bear repeating.

"The University's program rests on several assumptions as to the needs in the health fields which seem to be justified by the results of numerous studies of professional manpower in relation to the rising demand for better health care. These needs may be stated as follows:

1. Greater opportunity for Illinois youths to secure professional education in the health fields. Admission to most of these professions, especially medicine and dentistry, has been limited by the shortage of educational facilities.
2. Increase in the number of graduates of professional train-

ing programs of the State — as one step toward overcoming the shortage of its professional manpower.

3. Greater efficiency and effectiveness in the educational programs of the various health fields.
4. Increased retention within Illinois of the graduates of its health professions schools.
5. Better methods of organizing and disseminating information about advances in science and technology to practitioners.
6. Improved utilization of professional manpower and other resources in the delivery of health care services.
7. Expanded research on the hazards to health due to unfavorable environmental conditions and development of the means of preventing or ameliorating such conditions."

Experience in the intervening years has suggested that an eighth general objective should be added.

8. Identify new functional areas where increasing specialization in the health fields suggests or demands entirely new classifications of professional, technical, and/or vocational manpower be developed. For these, if appropriate at the University level, educational programs must be created.

The assumptions upon which the planning by all units of the Medical Center Campus and the campus as a whole have been predicated are based upon the recommendations in *Education in the Health Fields for State of Illinois*. That report, which suggests a strategy for overcoming manpower deficiencies in the health fields, ascribes major responsibilities to the University of Illinois and particularly to the Medical Center Campus. In fact, of the total sixty-six recommendations in the report, twenty-five are concerned with programs at the University of Illinois. These recommendations include the call for an increase of at least 200 medical student graduates over the 205 who were graduated the year the report was published (1968). Toward this objective the University has embarked upon a comprehensive program of innovation and expansion in medical education that is unparalleled in this country. Further specific recommendations urge the University to help accomplish these increases by building upon the faculty expertise at the Medical Center and the Urbana-Champaign campuses, and by bringing into the University's educational orbit (by affiliation) a substantial number of high-quality community hospitals.

Other recommendations propose significant enrollment and program expansion in dentistry, nursing, allied health sciences, and pharmacy. In the field of nursing, especially, the need for graduate education was stressed, because of the dearth of teachers and administrators who are needed to staff the expanding professional programs in this area.

Public Health

An entirely new program representing a field in which there has been a conspicuous gap in Illinois higher education was recommended by the IBHE for initiation by the University at its Medical Center Campus. In Recommendation 33 the statement is made: "Graduate programs of public health be established by the University of Illinois capable of enrolling 100 master's degree candidates and 40 doctoral degree candidates." In suggesting the scope of this program, the special areas of expertise residing at the other two campuses of the University were recognized. The graduate programs in public health will be heavily interdisciplinary, relying particularly upon faculty members at the other two campuses for instructional and research support in the behavioral and social sciences. The biological and engineering fields at the other

campuses—especially the Chicago Circle Campus—will also support special aspects of the public-health program. In addition, in the program planning for this new school, faculty at the Center for Health Care Studies at the University of Chicago Graduate School of Business, and at a similar center recently started by Northwestern University in conjunction with the American Hospital Association, were identified as potential resources for strengthening and expanding the scope of the school.

The Public Health program at the University of Illinois is being planned as a model for the intercampus and interinstitutional blending of academic resources—an internal and an external “common market.”

Basic Sciences

Recommendation 51 in *Education in the Health Fields for State of Illinois* reads: “The teaching of the basic sciences and general education components of curricula offered by the University of Illinois College of Pharmacy be discontinued on the Medical Center Campus and offered on the Chicago Circle Campus or the Urbana-Champaign Campus. . . .” Those general education offerings that were available on the Medical Center Campus were introduced years ago before there was a Chicago Circle Campus, and when the distance to Navy Pier was too great to permit student commuting for limited course offerings. One of the basic planning assumptions of the Medical Center Campus, however, is that as tenured faculty in the few areas offering general-education courses in the curriculum in pharmacy are retired or resign, replacements will not be hired and arrangements will be made for these educational requirements to be accomplished in conjunction with the Chicago Circle Campus or other higher-educational institutions.

Of greater concern to the University, however, has been the allegation that chemistry offerings at Chicago Circle, College of Pharmacy, and the School of Basic Medical Sciences of the College of Medicine are duplicative and the recommendation that such work be consolidated on the Chicago Circle Campus. A joint committee to study the basic medical science programs at the two Chicago campuses has been established, and the preliminary reports prepared for its chairman indicate strong complementarity and rare duplication of resources. Analysis of course contents reveals that the offerings in the general discipline of chemistry at the Medical Center Campus are highly specific to the curricula of which they are a part. The biochemistry offerings in the School of Basic Medical Sciences focus on the chemistry of human biology, a field not offered by the chemistry department at Chicago Circle (graduate students at Chicago Circle who need human biological chemistry within their graduate course studies enroll in these courses at the Medical Center Campus). In the College of Pharmacy, the Department of Medicinal Pharmacy offers specially tailored organic chemistry which is totally oriented toward the chemistry of drugs and biologicals, a highly essential and integral component of the education of the pharmacist in the contemporary setting. A basic planning assumption, therefore, is that course offerings which are highly specific to professional curricula, and are almost without exception required as a prerequisite to continued accreditation of the academic unit, will continue to be offered to students in the various curricula and colleges on the Medical Center Campus.

At the graduate level very few new doctoral programs are anticipated. Intercampus programs in biomedical engineering are in the development phase, and in human genetics there is a growing requirement and demand for a program at the

master's and eventually at the doctoral level. There is also a need to develop combined professional and graduate degrees, i.e. M.S.-M.D., Ph.D.-M.D., D.D.S.-M.S., and perhaps others. Many professional students want advanced training in specific areas available in the graduate college and progress is being made in the development of such programs. Both the College of Medicine and the Graduate College have approved the development of combined degree programs. Those students interested in teaching and research as well as professional practice will be tomorrow's well-qualified faculty.

The intercampus committee for the basic medical sciences has been charged with reviewing existing programs in this area, and with developing further mechanisms for the coordination of intercampus efforts. That committee, and hopefully the IBHE staff, will take into account the historical patterns, the comparative cost involved in alternative methods of meeting the specific educational objectives and student needs. Less attention should be paid to such factors as department titles and administrative arrangements. Meantime, the University wishes to reiterate the warning expressed in its commentary on Report No. 103:

“It cannot be emphasized too strongly how damaging it would be to the University of Illinois at the Medical Center to eliminate or sharply curtail graduate education in the basic medical sciences at that campus. Without any question, the leading faculty members in these departments would seek to go elsewhere and with them would go research grants that run to several million dollars each year. The School of Basic Medical Sciences in the College of Medicine, in particular, would be critically damaged by the loss of its graduate and associated research programs. In comparison with the basic medical-science departments in other medical schools, the University's departments would rapidly lose ground in terms of faculty, contribution to human health, and attraction of financial support from outside agencies.”

University of Illinois Hospital

A basic planning assumption which does not flow from *Education in the Health Fields for State of Illinois* relates to the University of Illinois Hospital. The author of the IBHE report recommended the reduction of the University of Illinois (then Research and Educational) Hospital to a highly specialized research and advanced training facility, with no more than two to three hundred beds, and modeled after the Clinical Center of the National Institutes of Health. This highly restrictive mission was questioned by the staff of the Board of Higher Education and these recommendations were not included in the final version of the report adopted by the Board. Instead, the staff suggested that the Health Education Commission take this issue under study and make further recommendations.

The Medical Advisory Committee of the Health Education Commission has annually reviewed the request for planning funds for replacing the obsolete portions of the University of Illinois Hospital and has agreed that its continued existence as a comprehensive, multi-mission institution is important in undergirding the health professions education programs. Further, they have recognized that with its patient population drawn more and more from the west and south sides of Chicago where there is a serious gap in the availability of health care services, the University of Illinois Hospital has assumed a major role supplementing Cook County Hospital's services and offering a variety of high-quality, sophisticated diagnostic and therapeutic capabilities for patients in need of these spe-

cial services. The contribution which the University of Illinois Hospital makes in the preparation of highly qualified specialists is of equal importance. This hospital has traditionally been among the leaders, not only in the Chicago metropolitan area but in the country, in its attraction of quality candidates for its house staff positions and the rate at which it fills its positions through the various matching plans (the highest in Chicago in the 1972 intern and resident matching program).

Planning for the Medical Center Campus has, as one of its basic assumptions, the need for a highly effective, comprehensive, high quality hospital facility to serve as the educational and research hub for the multiple clinical school educational programs of the College of Medicine, and further to serve as the clinical setting for innovative educational programs in nursing, pharmacy, dentistry, and the allied health sciences.

Planning and Commitment

The University of Illinois consistently has stated in every major policy document since its *Provisional Development Plan* that the main problems regarding the programs at the Medical Center Campus relate to the availability of resources and not to uncertainty as to planning goals and policies. The Medical Center Campus is the focus for one of the most far-reaching developmental programs in the health fields ever undertaken in this country. Virtually all aspects of the campus' operations provide professional, administrative, and logistical support for new and expanding programs located both on the campus and in several regional centers outside the Chicago area. The recent study of the impact of the FY 1971-72 and FY 1972-73 budgets submitted by the University to the IBHE staff emphasizes that with the investment in planning, employment of faculty, creation of facilities, commitments to students, and the inclusion of vast new and eager constituencies (Rockford, Peoria, and the Metro Six Hospitals), any significant retreat from the programmatic objectives would have repercussions of extremely serious dimensions. Yet these programs cannot be carried forward unless the essential additional resources are provided for FY 1973-74. That year is the "go-or-no-go" one as regards the implementation of the University's participation in the State's program of expansion in the health fields — as it will be for all other institutions involved, public and private. If these additional resources are not provided to support that program, it will have to be acknowledged explicitly that the State's plan has been curtailed. There is very little time left.

CHAPTER IV. Urbana-Champaign Campus

The reference to the Urbana-Champaign Campus in the Master Plan—Phase III "Scope and Mission" chapter acknowledges the outstanding worldwide reputation that it enjoys, and affirms that no arguments can be offered against its continued leadership as a full scale comprehensive institution. However, the last paragraph of that section raises a potential problem that cannot go unchallenged. Indeed, such a challenge was issued in the University's commentary on the initial draft of MP—III, and must be reiterated here, for the campus cannot proceed with its planning responsibilities until a clearer resolution is achieved.

The Master Plan sentence reads:

"The University of Illinois at Urbana-Champaign's current comprehensive roster of graduate programs should be

expanded only in areas not to be developed at other University Centers."

The University maintains that innovative programs of graduate and professional education proposed for development at the Urbana-Champaign Campus to meet the changing needs of society should not be stifled by the application of this somewhat nebulous precept. The Urbana-Champaign Campus cannot possibly meet its educational responsibilities to the University or to the State if its current roster of programs is viewed as the last word in completeness and comprehensiveness. The greatest universities are those which are most alive to new fields of knowledge, changing disciplinary patterns, and expanded social needs.

Basic Planning Assumptions

Intelligent state-wide planning would appear to require that the University of Illinois have a virtual monopoly upon doctoral programs in the public sector as long as resources remain scarce and manpower demands at the doctoral level continue to be constrained. Within that context, the Urbana-Champaign Campus' basic planning assumptions should be stated positively in the following terms (from the University's *Provisional Development Plan—1971-72 Through 1980-81*, p. 65):

"The educational programs of the Urbana-Champaign Campus at all levels will undergo marked changes during the next ten years—in response to new conditions and to the needs generated by them. In the spirit of the University's hundred years as a land-grant institution, the development plan for this campus calls for full utilization of its wealth of resources towards finding better ways to meet human needs and to help society solve its critical problems. These efforts will involve the search for new fundamental knowledge in difficult fields of inquiry, problem-centered research and development, and unique modes of public service that only a comprehensive university of high quality can provide."

The campus must plan to broaden and enrich its programs, especially through increased emphasis upon multidisciplinary studies related to the major problems of modern society. The planning assumptions evolving from the University's mission as stated in Chapter I depend significantly upon the development of new doctoral level program proposals by the strong faculty at Urbana-Champaign. The major program areas ascribed in the previous two chapters reflect the specific strengths and settings of the two Chicago campuses and are envisioned as being complementary to, and coordinated with, the existing programs and the new developments at Urbana-Champaign. Although the greater portion of the support required for Urbana-Champaign's new programs will probably come from Federal and foundation sources, the State should plan to increase its own contribution to the campus' educational effort. If that is done, the history of over a hundred years of highly productive instruction, research, and public service gives strong assurance that the return on the investment will be great.

The Urbana-Champaign Campus also will continue to be heavily involved in undergraduate education. Historically, there has been and there will continue to be a strong interest in undergraduate teaching on that campus. It is particularly crucial to maintain strength in undergraduate education when many of the campus' graduate and professional programs are extending downward into and influencing undergraduate curricula. For example, undergraduate education in the allied

health fields will accompany new developments in medical education; undergraduate programs in mental health care, day care, and community psychology are by-products of advances at the graduate level and represent areas of great societal demand; and undergraduate engineering will continue to be the major professional program for engineering (the Urbana-Champaign curriculum is considered particularly strong by virtue of the College's nationwide reputation as a research center).

Major New Program Areas

Health fields. Expansion of education in the health fields is of top priority to the Urbana-Champaign Campus. However, as at the Medical Center Campus, if this expansion is to occur, major new resources, both operating and capital, will have to be provided. The campus plans to develop a clinical program in the medical area, with attendant development of certain allied health fields (nursing, hospital management, medical technology, physician's aides, etc.), and expansion of the program in Veterinary Medicine.

Applied social sciences. The Urbana-Champaign Campus plans to upgrade and expand the social sciences, with particular emphasis upon the applied social sciences in an interdisciplinary context. In a planning process analogous to that described for certain program areas at Chicago Circle, the Urbana-Champaign Campus will take advantage of its particular resources and setting to reinforce its component of the University's graduate and professional educational responsibilities. In complementary and sometimes cooperative relationships with programs at other campuses, Urbana-Champaign plans to apply specific faculty strength and initiative toward responses to problems in areas such as housing, community and economic development, human resources, day care, and mental health. The significant innovation represented by the "applied" Doctor of Psychology degree will be introduced in other disciplines that could benefit from such a program.

Continuing education and public service. A major developmental emphasis will be placed upon the areas of con-

tinuing education and public service. The current plan is to focus upon a particular geographic location and establish a center there, which would work in concert with local community and senior educational institutions (public and private) to supplement their educational and public service efforts with unique University resources. There is no intention to compete with existing junior and senior-level college programs in the area. Instead, through cooperation, the resources of the Urbana-Champaign Campus will be made available to strengthen and supplement their programs. The continuing professional-education programs would concentrate on areas where particular experience and expertise is established at Urbana, and many of the center's activities would rely upon technology developed at that campus (e.g., PLATO). Through such a center the campus could, for example, provide research and scholarship opportunities for faculty members at the area institutions, and also serve as a "broker" for educational and public service programs — providing information and possible entry into not only our own programs but into those of other institutions throughout the State.

Unique Resources

Any discussion of the role of the Urbana-Champaign Campus must recognize that its continuing and developing programs always will be affected by certain unique features. It has the only College of Agriculture, the only College of Veterinary Medicine, and the only College of Law in the public sector of Illinois' institutions of higher education. It is internationally known for its work in the computer field, with the most progressive campus programs being located in the Computer-based Education Research Laboratory (PLATO), the Center for Advanced Computation, the Department of Computer Science, and the Coordinated Science Laboratory. The campus has one of the finest libraries in the United States. Most important of all, the campus has a faculty that is one of the greatest educational resources in the State of Illinois and in the country — a fact of paramount relevance and importance in defining the nature and scope of the University of Illinois at Urbana-Champaign.

President's Statement on the University Appropriation

President John E. Corbally Jr. issued the following statement July 5 in view of actions of the General Assembly on the University's appropriation bill:

There has been some confusion in the reports of the final actions of the Illinois General Assembly with regard to House Bill 4215 (the appropriation bill for the University of Illinois for 1972-73). The General Assembly approved increases in House Bill 4215 totaling \$7,163,788. The original total for operations was increased from \$189,411,681 to \$196,575,469. The following is an analysis of the increase:

1. Retirement contributions	\$3,000,000
2. Personal services (nonacademic salary increases and funds for physical-plant operations and maintenance personnel)	3,541,126
3. Division of Services for Crippled Children	587,000
4. Natural History Survey Research Ponds (O & M costs)	6,376
5. Exercise Therapy Clinic (College of Physical Education, Urbana-Champaign)	29,286
	<u>\$7,163,788</u>

The addition for retirement contributions represents, in effect, a technical assignment of funds to the University of Illinois to provide sufficient funds to meet the expected obligations of the State Universities Retirement System to staff members of the University who will be retiring during the present fiscal year.

The increase in the personal-services item of House Bill 4215 totaling \$3,541,126 would be used for the following purposes, in accordance with agreements reached among members of the General Assembly concerning this increase:

1. The level of employment of physical-plant operations and maintenance personnel existing on June 30, 1972, would be maintained throughout the fiscal year 1972-73, except in areas subject to seasonal layoffs or in situations where such retention of employees would be contrary to State law or otherwise in conflict with sound public policy.
2. All employees presently paid under prevailing-wage agreements would receive increases in accordance with the terms specified in the renewal of such agreements. This procedure would conform to past practice, and the rates would be in accordance with State statutes and regulations.

3. Additional funds would be allocated sufficient to provide increases averaging 5.5 per cent to employees who are paid under negotiated-rate contracts—the increases to become effective upon the date specified in the renewal of such contracts.
4. Additional funds would be allocated sufficient to provide increases averaging 5.5 per cent for all other nonacademic employees, effective September 1, 1972.

The University regrets that no funds were appropriated by the General Assembly for additional increases in the salaries of academic staff members. After consultation with the general-University officers concerned and with the chancellors, I am prepared to recommend to the Board of Trustees that sufficient funds be accumulated through further internal savings to permit increases in academic salaries averaging 5.5 per cent for eligible staff members, effective November 1, 1972. This increase would create a condition of substantial parity in the increases for nonacademic and for academic staff members—in the sense that the effective dates for their respective rate increases would be delayed in each case two

months beyond the dates on which salary increases traditionally have become effective.

Obviously, the implementation of the foregoing plans is subject to the approval of House Bill 4215 by the Governor, without reduction in the amounts appropriated by the General Assembly.

Many members of the General Assembly and representatives of the Governor's office and of the Bureau of the Budget were of great assistance in reviewing the needs of the University of Illinois and in responding to those needs. Representative Charles Clabaugh and Senator Stanley Weaver provided the floor leadership for House Bill 4215. In his last few months of active service, Dr. Lyle Lanier was particularly effective in providing the General Assembly with information and in providing the University of Illinois with his fine representation.

Inquiries to the *Faculty Letter* may be directed to the editor, Lucille Turigliatto, 369 Administration Building, Urbana, Telephone 333-1562.

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FACULTY LETTER

FROM THE OFFICE OF THE PRESIDENT · UNIVERSITY OF ILLINOIS

No. 233, November 1, 1972

University's Request for Operating Funds for FY 1973-74

Presented here is a portion of the University of Illinois' request for operating funds for FY 1973-74 which was submitted to and approved by the Board of Trustees meeting on the Chicago Circle Campus October 18. The request has been transmitted to the Illinois Board of Higher Education.

PREFACE

The operating budget of the University of Illinois has suffered dramatically during the period for FY 1971 through FY 1973. There are no reserves left, and the budget cuts to administrative units, physical plant and student services has eliminated all but academic programs for future budget exigencies. New buildings have been opened without operating budgets, the equipment budget has been reduced by 50 per cent, enrollment and price increases have been absorbed through the use of reserves and administrative cuts mentioned above.

The operating budget for FY 1974 submitted herewith is basic and fundamental. Close scrutiny of these documents will show that the requests have been carefully analyzed.

INTRODUCTION

General Comment

The operating budget request for the University of Illinois for Fiscal Year 1974 is for a net increase of \$27,836,988 (exclusive of retirement). Included in this document are detailed calculations of the nonnew program elements and detailed documentation of the new programs.

There are several other items which need special coverage. First is a new program request for the Division of Services for Crippled Children in the amount of \$855,875. The base budget for the DSCC and the salary increases and price increases are built into the asking budget contained herein. However, since the University of Illinois administers the Division of Services for Crippled Children as an agent of the

State, we cannot properly add this request to our priority list inasmuch as many programs with high priorities were omitted to attempt to bring the total needs into focus with available resources. We are therefore transmitting the request for consideration by the Board of Higher Education without including this item in our operating budget request.

The second clarifying item involves the University of Illinois libraries. No special program request is contained in this budget, but the matter is growing critical. The matter is described in general terms for the purpose of alerting the Board that we anticipate making the libraries a high priority item for FY 1975. Although we currently rank third in size of collections, we rank tenth in size of staff. Many cuts in staff and services have been made to protect the acquisitions budget. But, the matter is critical and must be given very serious consideration for next year. The same type of problem holds true for campus security. The campuses have repeatedly asked for new program funds to offset the growing needs for security from vandalism and attacks on persons. Lack of such programmatic funds has forced a combination of internal reallocation and a general lack of sufficient security. This item, too, will probably appear in FY 1975.

The third item for clarification is the enrollment on the Urbana-Champaign Campus. While the total enrollment projections for Urbana-Champaign back in July appeared to be too high, they now appear to be accurate. This is also true for FY 1974. The enrollments projected for Urbana-Champaign contained herein show a total of 32,270 against a long-range projection of 33,750 made two years ago and used for FY 1973 budget preparation. It is now our best estimate that 33,800 will be achieved. Late registration, particularly graduate enrollment, is very high. Based on the estimate of 32,270 as developed in July, we were very concerned that the original long-range projection of 34,100 for FY 1974 would not be achieved. As a result of reducing this to 32,000, the funding projected a decline from the original (33,750-32,000) projection of FY 1974 which produces a formula decline in support of \$1.7 million. We expect to revise all of the projections

based on actual fall enrollment in November, but the consensus projections now call for 33,800 in 1972 and 34,000 in 1973—or no change in formula funding for Urbana-Champaign. This, in fact, agrees with the budget as submitted, since we included Urbana-Champaign at a zero increase in enrollment. In other words, the overall budget request requires no change and will be further supported with new enrollment data in November.

One final item requiring separate explanation is a request for an increase of \$88,850 in the Agricultural Premium Fund. Documentation has been previously submitted on the matter of adverse salary equalization between the county extension secretaries and the University secretaries and on covering new costs of printing extension materials for 4-H. This was not funded in FY 1973 and is a cause of considerable problems. We are requesting this as a separate item due to the separate funding source.

History

A great deal of concern exists about the amount of new funds requested during the last several years. This has been compounded by the combination of statewide budgetary pressures, in general, and the Medical Center Campus expansion, in particular, which have increased the pressures on the University of Illinois. The requests for FY 1974 must be viewed in the light of the last several years.

Table 1 clearly shows that the level of state tax revenue support has remained approximately the same for the last two years. If \$159.7 million in FY 1971* had grown at only 6 per cent to FY 1972 and then 6 per cent to FY 1973, the state tax revenues would have been \$179.4 million, an increase of \$19.7 million (see Table 3). If this trend were continued to FY 1974, the state tax appropriation would be \$190.2 million. The requested state tax support exclusive of retirement for FY 1974 is \$189.9 million (see Table 8). In other words, including significant enrollment expansion, inflation, new buildings to operate, and major medical expansion, the three-year compound rate of growth for the University from state tax revenues would be less than 6 per cent if the FY 1974 budget were fully funded.

Current Year FY 1974

There are obviously many ways to look at the percentage change or need in an operating budget. Some of the numerical outcomes of various historical strategies are insidious. For example, because the last several years have resulted in budget limitations, causing a cutback in service, maintenance, and equipment budgets, the projections for returning to normal look larger than is really the case. This, of course, is admirably demonstrated in the previous historical calculation. Moreover, in the State of Illinois, the somewhat erratic way of handling retirement makes base to projected base a difficult calculation.

* Exclusive of retirement (see Table 8).

Perhaps the most realistic calculation is shown here as Table 5. If we take the beginning base of \$188,294,969, exclusive of retirement, and add the built-in salary annualization and restore the equipment base to FY 1971 levels, the adjusted base is \$192 million. This means that past enrollment increase, price increases, and new programs have been accommodated through cash savings and internal reallocations. On this base, the request for continuation is 5.72 per cent. The request for everything, exclusive of the medical expansion, is 7.88 per cent, and the total is 12.54 per cent— with medical programs, therefore, representing 4.66 per cent. Or, the continuation and medical expansion only (no growth at Chicago Circle and no other new programs) represents 10.38 per cent.

There are very realistic budget needs to fulfill the scope and mission of the University.

TABLE 1
Percentage of Operating Budget from State Tax Revenues

Year	State Tax Revenues	% of Budget
1972-73	\$168,662,969	51
1971-72	161,441,629	52
1970-71	168,157,756	54
1969-70	151,672,810	56
1968-69	132,816,794	56
1967-68	120,110,864	55
1966-67	103,084,391	56
1965-66	93,394,271	56
1964-65	79,880,203	56
1963-64	73,817,478	57
1962-63	66,346,500	56
1961-62	63,646,500	59
1960-61	57,956,150*	62
1959-60	54,141,150*	62
1958-59	47,383,940*	62
1957-58	45,378,340*	62
1956-57	38,894,990*	61
1955-56	38,660,990*	63
1954-55	34,008,279	64
1953-54	34,008,280	65
1952-53	32,553,746	65

Source: Internal budgets for 1952-53 through 1972-73.

* Prior to 1961-62 it was the practice to budget one-half the biennial tax fund appropriation each year of the biennium. From 1955-56 through 1960-61, the budget increase for the second year was provided by reserving income from the first year's budget for use during the second year. The figures for each year of the biennium have been adjusted to reflect this deferral in the tax fund figures to achieve comparability with later years.

TABLE 2 — Summary of Total University Budget for Fiscal Years 1970-71 through 1972-73

	1970-71		1971-72		1972-73	
	Amount	Per Cent	Amount	Per Cent	Amount	Per Cent
State Tax Funds	\$168,157,756	54.0	\$161,441,629	51.6	\$168,662,969	50.6
University Income	18,218,100	5.9	22,900,000	7.3	27,912,500	8.4
Restricted & Institutional	125,009,600	40.1	128,767,300	41.1	136,540,400	41.0
Total	\$311,385,456	100.0	\$313,108,929	100.0	\$333,115,869	100.0

TABLE 3 — Summary of Appropriations for the University of Illinois, FY 1970-71, FY 1971-72, FY 1972-73

<i>Purpose and Fund Source</i>	<i>FY 1970-71 Appropriations</i>	<i>FY 1971-72 Appropriations</i>	<i>FY 1972-73 Appropriations</i>
I. OPERATIONS AND GRANTS			
<i>Regular Operations</i>			
General Revenue	\$159,661,233	\$155,000,000	\$159,173,769
University Income	18,218,100	22,900,000	27,912,500
Agr. Premium Fund	1,021,700	1,161,129	1,208,700
<i>Subtotal</i>	(\$178,901,033)	(\$179,061,129)	(\$188,294,969)
<i>Retirement Contributions</i>			
General Revenue	7,391,323	5,258,200	8,258,200
Agr. Premium Fund	83,500	22,300	22,300
<i>Subtotal</i>	(\$ 7,474,823)	(\$ 5,280,500)	(\$ 8,280,500)
<i>Total</i>	\$186,375,856	\$184,341,629	\$196,575,469
II. IBA RENTALS (General Revenue)			
Previously Authorized	\$ 8,990,150	\$ 14,137,915	\$ 9,335,645
New Authorizations	5,159,240	1,623,740	—0—
<i>Total</i>	\$ 14,149,390	\$ 15,761,655	\$ 9,335,645
III. CAPITAL IMPROVEMENTS (General Revenue)			
New Appropriations	\$ 1,761,975	\$ 4,043,750	\$ 4,540,600
Reappropriations	19,392,382	9,561,149	5,923,000
<i>Total</i>	\$ 21,154,357	\$ 13,604,899	\$ 10,463,600
IV. CAPITAL IMPROVEMENTS (Bond Issues)			
New Authorizations	\$ 10,709,934	\$ 17,969,700	\$ 8,970,100
Reauthorizations of IBA Projects	—0— ¹	18,344,104 ¹	70,304,100
Transfer from General-Revenue Reappropriations	—0—	—0—	2,733,000
<i>Total</i>	\$ 10,709,934	\$ 36,313,804	\$ 82,007,200 ²
V. GRAND TOTAL			
General Revenue	\$202,356,303	\$189,624,754	\$187,231,214
University Income	18,218,100	22,900,000	27,912,500
Agr. Premium Fund	1,105,200	1,183,429	1,231,000
Bond Funds	10,709,934	36,313,804	82,007,200
<i>Total</i>	\$232,389,537	\$250,021,987	\$298,381,914

¹ Other IBA projects were not started but did not require reauthorization. (Reauthorization is required for IBA projects if not started after three years or if no interim lease has been negotiated.)

² Includes capital-development-bond funds for: (a) all building projects previously authorized for funding by the Illinois Building Authority but not bonded; (b) new (FY 1972-73) building projects; (c) selected "nonbuilding" projects for which general-revenue funds were appropriated for FY 1971-72 but will not have been obligated by June 30, 1972; (d) selected new (FY 1972-73) "non-building" projects.

TABLE 4 — Comparison of FY 1971-72 and FY 1972-73 Budgets

	<i>Revised FY 1971-72 Budget</i>	<i>Increase</i>	<i>FY 1972-73 Budget</i>
<i>I. All-University Summary</i>			
Chicago Circle Campus	\$ 38,250,562	\$ 2,010,172	\$ 40,260,734
Medical Center Campus	41,435,647	5,627,043	47,062,690
Urbana-Champaign Campus	98,764,203	4,709,299	103,473,502
General University	5,781,803	-145,116	5,636,687
Unassigned Reserve	109,414	32,442	141,856
<i>Total, All-University</i>	<u>\$184,341,629</u>	<u>\$12,233,840</u>	<u>\$196,575,469</u>
<i>II. Chicago Circle Campus</i>			
Academic Units	\$ 21,708,526	\$ 1,330,646	\$ 23,039,172
Administrative and Service Units	6,414,937	-333,073	6,081,864
Library	1,936,316	20,812	1,957,128
Physical Plant	6,238,949	488,267	6,727,216
Refunds	515,000	-90,000	425,000
Retirement	1,052,000	598,000	1,650,000
General	384,834	-4,480	380,354
<i>Total, Chicago Circle</i>	<u>\$ 38,250,562</u>	<u>\$ 2,010,172</u>	<u>\$ 40,260,734</u>
<i>III. Medical Center Campus</i>			
Academic Units	\$ 16,325,212	\$ 2,518,256	\$ 18,843,468
Administrative and Service Units	3,367,313	-21,188	3,346,125
Library	569,396	213,972	783,368
Physical Plant	5,330,576	791,735	6,122,311
Refunds	14,700	4,000	18,700
Division of Services for Crippled Children	3,294,018	626,483	3,920,501
Hospital	11,423,493	600,051	12,023,544
Retirement	1,166,000	699,000	1,865,000
General	-55,061	194,734	139,673
<i>Total, Medical Center</i>	<u>\$ 41,435,647</u>	<u>\$ 5,627,043</u>	<u>\$ 47,062,690</u>
<i>IV. Urbana-Champaign Campus</i>			
Academic Units	\$ 68,985,699	\$ 3,445,185	\$ 72,430,884
Administrative and Service Units	9,017,157	-722,300	8,294,857
Library	4,060,647	402,177	4,462,824
Physical Plant	13,433,623	59,894	13,493,517
Refunds	207,500	-0-	207,500
Retirement	2,922,500	1,618,000	4,540,500
General	137,077	-93,657	43,420
<i>Total, Urbana-Champaign</i>	<u>\$ 98,764,203</u>	<u>\$ 4,709,299</u>	<u>\$103,473,502</u>
<i>V. General University</i>			
Academic Units	\$ 2,655,683	\$ -44,892	\$ 2,610,791
Administrative and Service Units	2,986,120	-185,224	2,800,896
Retirement	140,000	85,000	225,000
<i>Total, General University</i>	<u>\$ 5,781,803</u>	<u>\$ -145,116</u>	<u>\$ 5,636,687</u>

TABLE 5
Percent Increases by Category — Recast to Correct Base

Total Base ¹	\$188,294,969	
Built-in Annualization	1,864,566	
Restoration of Equipment	1,890,000	
Revised Base	\$192,049,535	
Base Increases Requested		
Salary Increases	\$ 8,027,285	
New Buildings	448,738	
Price Increases	2,511,683	
	\$ 10,987,706	5.72%
Medical Expansion (All Campuses)	\$ 8,944,428	4.66%
Enrollment Increases (Nonmedical)	2,818,778	1.47%
Other New Programs	1,331,510	.69%
New Base	\$216,131,957	12.54%

¹ Exclusive of retirement.

TABLE 7
Summary of FY 1974 Request for Operations
(Excluding Retirement)

A. Appropriations for FY 1973	\$188,294,969
(excluding retirement)	
B. Increases Requested for FY 1974	27,836,988
1 Annualization of Salary	
Increases	\$ 1,864,566
2 Increases in Enrollment	
(including refunds and	
matching loan funds)	5,851,206
3 Salary Increases	8,027,285
4 Operation of New	
Buildings	448,738
5 New Programs —	
Virtually Required	6,749,960
6 Price Increases	2,511,683
7 New Programs — Very	
Important	493,550
8 Restoration of Equip-	
ment	1,890,000
C. Total FY 1974 Request for Operations	\$216,131,957
(excluding retirement)	
General Revenue Funds	\$189,934,047
University Income Funds	24,918,000
Agricultural Premium	
Funds	1,279,910

TABLE 6 — Summary of Increases in Appropriation Request for FY 1974

Priority	Name	Amount	Per Cent of Base ¹	Per Cent of Base ²
1	Annualization of Salary Increases	\$ 1,864,566	.9	1.0
2	Increases in Enrollment	5,552,206	2.8	2.9
	a. Refunds	244,000	.1	.1
	b. Matching Loan Funds	55,000	—0—	—0—
3	Salary Increases	8,027,285	4.1	4.3
4	Operation of New Buildings	448,738	.2	.2
5	New Programs — Virtually Required	6,749,960	3.4	3.6
	a. Chicago Circle	\$ 692,960		
	b. Medical Center	5,116,000		
	c. Urbana-Champaign	941,000		
6	Price Increases	2,511,683	1.3	1.3
7	New Programs — Very Important	493,550	.3	.3
	a. Chicago Circle	\$ 193,550		
	b. Medical Center	200,000		
	c. Urbana-Champaign	100,000		
8	Restoration of Equipment	1,890,000	.9	1.0
	<i>Total</i>	\$27,836,988	14.2	14.8

¹ Base = \$196,575,469 (including retirement).

² Base = \$188,294,969.

TABLE 8 — Summary of Appropriations for Operations

Sources of Funds	FY 1971	FY 1972	FY 1973	FY 1974
<i>Regular Operations</i>				
General Revenue	\$159,661,233	\$155,000,000	\$159,173,769	\$189,934,047
University Income	18,218,100	22,900,000	27,912,500	24,918,000
Agricultural Premium Funds	1,021,700	1,161,129	1,208,700	1,279,910
Subtotal	(\$178,901,033)	(\$179,061,129)	(\$188,294,969)	(\$216,131,957)
<i>Retirement</i>				
General Revenue	7,391,323	5,258,200	8,258,200	24,351,100
Agricultural Premium Funds	83,500	22,300	22,300	113,200
Subtotal	(\$ 7,474,823)	(\$ 5,280,500)	(\$ 8,280,500)	(\$ 24,464,300)
Total	\$186,375,856	\$184,341,629	\$196,575,469	\$240,596,257

Amendment of Statutes Re Nonreappointment of Professional Employees

The Board of Trustees at its September 20 meeting gave provisional approval to an amendment of University Statutes providing for procedures for nonreappointment of professional employees.

This was the President's recommendation:

For some years there has been concern on the part of the administration that the group of employees of the University generally characterized as "professional" be given adequate protection in situations of termination other than for due cause. Presently the Statutes of the University provide no such protection. These employees comprise a group for whom the provisions of Section 40 of the University Statutes (mainly relating to faculty) and the rules of the University Civil Service System of Illinois are inapplicable.

In order to provide a degree of equity analogous to that afforded other University employees, I recommend that the attached addition to Section 38, "Principles Governing Employment of Academic and Administrative Staffs," of the University of Illinois Statutes* be provisionally approved, with the stipulation that the Trustees defer final approval until the present action has been reported to the Senates and to the University Senates Conference — and because of the subject matter of this recommendation, to the professional ad-

* In order to provide continuity of subject matter, it is proposed that the new subsection be designated 38 (e) and that the existing subsection 38 (e) be redesignated 38 (f).

Area Health Education Center Contract for Medical Center

At its October 18 meeting, the Board of Trustees approved acceptance of a \$9,724,026 contract from the United States Department of Health, Education, and Welfare to the Medical Center for the development of area health education centers. The award now is subject to further action by the Illinois Board of Higher Education.

This was the text of the agenda item:

The University of Illinois, through its College of Medicine, has been awarded a contract by the Bureau of Health Manpower Education, National Institutes of Health, Department of Health, Education, and Welfare for the development of "area health education centers" in selected areas in Illinois.

visory committee (or similar body) on each campus for their information and advice.

Proposed Section 38 (e), University of Illinois Statutes

Section 38 (e) In the non-reappointment of a full-time employee for whom procedures under Section 40 of these Statutes, or under the rules of the University Civil Service System of Illinois, are not applicable: written notice of non-reappointment shall be given not later than March 1 preceding the end of the appointment year. The "appointment year" in all cases shall be construed to begin as of September 1 and to end on August 31, requiring either nine-months or twelve-months service.

If such notice is given later than March 1 in an appointment year, it shall be accompanied by an offer from the Board of Trustees of a terminal contract for an additional one-half of the next appointment year.

Notice of non-reappointment is not required for employees in the above categories whose current appointments are without salary or are conditional upon receipt of non-appropriated funds, e.g., grant or contract funds.

Excepted from the above provisions are the following administrative officers: the President of the University; the chancellors and vice-chancellors; the officers of the Board of Trustees who are University employees, and those others who are designated by the President as "general officers" of the University; the deans, directors, heads and chairmen of academic units.

The contract totals \$9,724,026 payable over a five-year period and distributed as follows:

	Direct	Indirect Overhead Recovery
First year	\$ 789,664	\$158,627
Second year	1,014,684	204,831
Third year	2,096,109	422,631
Fourth year	2,096,109	422,631
Fifth year	2,096,109	422,631

Each of the annual amounts shown above, other than for the first year, are subject to the availability of funds from the National Institutes of Health.

The concept of the "area health education center" was described and recommended by the Carnegie Commission on Higher Education in a special report entitled *Higher Education and the Nation's Health* (October 1970). The concept was incorporated into federal legislation and approved through enactment of the "Comprehensive Health Manpower Training Act of 1971."

A major objective to be achieved under the contract is the gradual evolution and growth of the system of education for a broad spectrum of health professions and occupations in the regions of Illinois associated with the University's developing medical schools. The system of education would build on existing resources, talents, and programs and be developed in collaboration with the clinical facilities and educational

institutions in the regions. It will provide education for the health manpower required to meet regional needs, particularly in underserved areas.

The specific sites for "area health education centers" are Peoria (in conjunction with the Peoria School of Medicine), Rockford (in conjunction with the Rockford School of Medicine), Urbana-Champaign (in conjunction with the School of Basic Medical Sciences), and in the Chicago metropolitan area (in conjunction with a group of six hospitals affiliated with the College of Medicine).

Following the organizational period, the types of health education programs to be developed under the contract are those of several of the allied health professions, undergraduate nursing, graduate nursing, and family practice.

General University and Campus Administrative Appointments

The Board of Trustees this fall has approved three major appointments of General University and campus administrative personnel. At its September meeting, Dr. Arnold B. Grobman was named Vice Chancellor for Academic Affairs at Chicago Circle Campus, beginning January 1, 1973. He also will have the title of Professor of Biological Sciences.

Dr. Grobman presently is Dean of Rutgers College of the State University of New Jersey (Rutgers University). A native of Newark, New Jersey, he has a Bachelor of Science from the University of Michigan and a Master of Science and Doctor of Philosophy in zoology from the University of Rochester. He also has been on the faculties of Florida State University and the University of Colorado.

At the October meeting, the Trustees approved the appointment of Hugh M. Satterlee as Dean of Students and Vice Chancellor for Campus Affairs at the Urbana-

Champaign Campus, effective November 1. He has been dean since April 1, 1970, and acting vice chancellor since February 1, 1972. Born in Coffeen, Dean Satterlee is a graduate of Blackburn College and Southern Illinois University. Before joining the University of Illinois staff as Director of Student Financial Aids at Urbana in 1968, he was with the National Science Foundation and the United States Office of Education in Washington, D.C.

Another October appointment was that of Donald S. Rubenstein as University Deputy Director of Nonacademic Personnel, beginning February 1, 1973, and University Director of Nonacademic Personnel, effective April 1, 1973. He currently is Deputy Director of Civilian Personnel of the United States Army in Washington, D.C. A native of Baltimore, Mr. Rubenstein is a graduate of the University of Richmond and has done graduate work at Johns Hopkins University. He has served with the Army since 1940, both in military and civilian capacities.

J. G. Randall Distinguished Professorship in History Established at Urbana

"The J. G. Randall Distinguished Professorship in History" has been established at the Urbana-Champaign Campus under the will of the late Ruth Painter Randall and with the approval of the Board of Trustees at its October meeting. Provisions for the bequest and guidelines for the professorship were included in the presentation made to the Board:

Under the will of the late Ruth Painter Randall, three-fourths of her residuary estate was to be given to the University of Illinois Foundation for the establishment of "The J. G. Randall and Ruth Painter Randall Memorial Fund." The income from the fund was to be used to supplement the funds available from the University to pay the salary of a distinguished scholar appointed to a Chair known as "The J. G. Randall Distinguished Professorship in History."

Mrs. Randall, herself an historian, stipulated that the appointee to the Chair was to be a scholar in the field of American History in which her husband gave distinguished service, "specifically including Lincoln, Civil War, Southern, and Constitutional history."

In order to implement the wishes of Mrs. Randall, a

search committee has been appointed and guidelines for the administration of the Chair have been developed by the Dean of the College of Liberal Arts and Sciences. Those guidelines, as recommended by the Chancellor at the Urbana-Champaign Campus, are as follows:

1. The Chair shall be known as "The J. G. Randall Distinguished Professorship in History"; and it shall be offered to a person whose scholarly career is associated with "that field of American History in which my husband [Professor J. G. Randall] gave distinguished service, specifically including Lincoln, Civil War, Southern, and Constitutional history."
2. The professorship will normally be awarded on a "permanent," not a rotating, basis.
3. The professorship may not stand vacant for more than two consecutive academic years.
4. The final recommendation to the Chancellor, President, and Board of Trustees is to be made by the Vice Chancellor for Academic Affairs on the advice of the Dean of the College of Liberal Arts and Sciences and of the Executive Officer of the Department of History. A search committee is to be appointed by the Dean of the College, after con-

sultation with the principal administrative officer and Executive Committee of the Department of History.

5. The terms of Mrs. Randall's will make it clear that the person holding the Chair must receive from University funds at least the minimum salary paid to a full professor of history; the income from the trust is to be paid to the person holding the Chair. It is, however, anticipated that each appointee will in practice be offered a fixed salary, to include both anticipated income from the trust and at least a sum equivalent to the minimum salary established by the University for full professors, such sum to be paid from University funds.
6. The University of Illinois Foundation will be requested to underwrite from the endowment, as expenses of administering the trust, charges related to the identification of

holders of the Chair. These charges would include expenses of a "search" as well as payment of moving expenses if a new appointee is brought to the campus.

7. Policies with respect to the administration of the Chair may be changed, within the terms of the bequest by the Chancellor subject to the concurrence of the President after consultation with the Dean of the College of Liberal Arts and Sciences and the executive officer of the Department of History.

Inquiries to the *Faculty Letter* may be directed to the editor, Lucille Turigliatto, 369 Administration Building, Urbana. Telephone 333-1562.

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FACULTY LETTER

FROM THE OFFICE OF THE PRESIDENT · UNIVERSITY OF ILLINOIS

No. 235, March 21, 1973

The President's Annual Message

JOHN E. CORBALLY JR., PRESIDENT, UNIVERSITY OF ILLINOIS

It is difficult for me to realize that a year has gone by since I delivered my first annual message to the people of Illinois on behalf of the University of Illinois. It has been an exciting and fulfilling year. I have been particularly appreciative of the opportunities which have been afforded me to speak with or to so many of you in person and to hear directly from you your concerns about and hopes for the University. I intend to continue to travel about this State to talk with you and to hear from you. I thank you for listening to a story of which we can all be proud.

First, I want to mention some achievements of faculty and staff members and of students on our three major campuses, in Rockford and Peoria where medical programs are expanding, and in extension centers throughout Illinois. Too often, reports about universities concentrate upon financial questions or upon spectacular but minor problems. It is easy to forget that the most exciting aspects of university life are the slow and steady educational triumphs of staff and faculty and students working together. Such triumphs are both real and significant, but rarely are able to crowd more immediately newsworthy items from the newspaper pages or from the television screens.

Let us first remind ourselves of the impact of the University of Illinois. During this current academic year 57,536 students are enrolled on our three campuses — an increase of nearly 5 per cent over last year. While size has no necessary relationship to quality, it is important to note that the widely publicized disenchantment with higher education does not appear to apply to those who desire to attend the University of Illinois. In spite of constant application of rigorous admission standards, enrollment in the University over the past ten years has increased by a total of 86 per cent. This year's freshman class is a superior group in terms of all commonly used admissions criteria.

The Division of University Extension serves thousands of individuals who are students in every sense of that word except that they are not regularly enrolled on a

campus and in most cases are not degree candidates. During 1971-72, nearly 600 off-campus classes were conducted by faculty members in all parts of Illinois. Nearly 15,000 individuals participated in such courses. Short courses and conferences involved nearly 40,000, while about 3,000 availed themselves of correspondence courses. Special programs within the Division include the highly regarded Police Training Institute which enrolled over 3,500 law enforcement officers in courses ranging from police-community relations through techniques of criminal investigation. Also under direction of the Division are the Firemanship Training Program which includes the oldest annual Fire College in the nation and an outstanding program in Civil Defense Training which prepares public officials to deal with disasters. All of these programs are in addition to well-known offerings of the Cooperative Extension Division of the College of Agriculture at Urbana-Champaign which reach into every community in Illinois. An audience head count made through the State Extension Management Information System (SEMIS) shows that 3.5 million adults and youth participated in Extension programs during 1972.

These examples of extension programs represent only a sample of the outreach activities of the University of Illinois. They do not include literally hundreds of such activities sponsored by colleges and departments of the University as regular components of teaching, research, and service missions.

Other public and private universities, colleges, and community colleges in Illinois provide similar, but less extensive, programs. These regular, ongoing programs of the system of higher education in Illinois provide an impressive example of what some describe as "a university without walls." There is some discussion of the need for a new structure in Illinois to "bring higher education to the people." While there may be gaps in and undoubtedly are needs not met by existing college and university outreach programs, it seems clear to us at the University of Illinois that new structures such as a separate university for extension programs would only compound the

problem. To be specific, I applaud the motivation of those who recommend creation of a new Lincoln State University; however, the achievement of their goals does not require new structures, new administrative mechanisms and costs, or new institutions. We have been committed to public service and to extension education for over one hundred years. We and our sister institutions in Illinois can and will meet new needs with greater quality, efficiency, and timeliness than could any proposed new structure.

Moving back to the campuses, we note that of special interest to many in Illinois is the progress being made in expanding our medical education program which is based on the Medical Center Campus in Chicago. In preparation for budget requests for fiscal year 1974, the University Office of Planning and Resource Allocation and the administration of the Medical Center Campus have developed a revised and detailed schedule of enrollment targets for the expansion program through 1982. Whereas in the past the enrollment targets on a year-to-year basis were less clear than were the final goals, we now have a detailed year-by-year breakdown which will lead to the goals for 1982. This breakdown facilitates financial planning, makes clear the need for facilities and the specific times when facilities must be available, and assists in planning for staffing in the years ahead. The 1974 budget recommendations of the University and of the Board of Higher Education include recognition of this new enrollment schedule. This schedule represents one of the first accomplishments of the effort through the new Office of University Planning and Resource Allocation to establish long-range educational plans and long-range detailed financing plans in support of program needs. While it is clear that all State agencies must depend upon annual appropriations, our hope is that as the University develops sound, realistic and detailed long-range plans, successive General Assemblies will support the annual requirements of such plans. Effective management of the educational enterprise depends upon the ability to plan and to act upon plans. Most educational programs can succeed only if their support is regular and continuous. Both we and you—the taxpayers—can gain educational and economic efficiency as our legislators support long-range plans rather than annual, “start-from-scratch” budgeting methods.

I do want to provide a somewhat detailed report of the first year of the University of Illinois medical education program at Rockford.

The Rockford School of Medicine opened to its first class in September, the culmination of nearly a decade of planning. All twenty students in the initial class have earned bachelor's degrees and completed a year of basic medical science. Following the three-year program at Rockford, they will receive M.D. degrees and continue internship or residency training before entering practice. Clinical facilities in Rockford Memorial, Swedish-American, and St. Anthony's Hospitals and the Singer Zone Center are being utilized in the teaching program.

While they are learning, students under professional

supervision are an integral part of the health care delivery team in hospitals, medical offices, and homes. Students also assist in the provision of care for patients in rural areas that have had difficulty attracting physicians.

The Kirkland Community Health Center opened in September. The initial professional staff consists of two physicians, a nurse, and a technician. Supporting services are provided by some 20-25 physicians forming an academic group practice. The Kirkland Community Health Center is the first of fifteen health care facilities the Rockford school anticipates developing in northern Illinois. A Belvidere Community Health Center began services in January.

Besides health care, the Rockford School of Medicine will serve the community through its center for community health research and foster greater cooperation among the four Rockford health care institutions. It will also assist local physicians in remaining aware of new methods of patient care.

Community physicians have been enthusiastic supporters of the new school. Of the 275 practicing physicians in the Rockford area, 230 are working in a teaching, curriculum development, or other capacity.

Another program of the Medical Center of special interest is supported by the Bureau of Health Manpower Education, National Institutes of Health, Department of Health, Education, and Welfare. This program will encourage development of area health education centers in selected areas in Illinois.

The contract totals \$9,724,026 payable over a five-year period. It will enable the school to train physicians, nurses, and other health professionals in four regions of the State. The school will use existing facilities in community colleges, clinics, and hospitals. Peoria, Rockford, Urbana-Champaign, the Medical Center Campus in Chicago, and a consortium of four inner city hospitals in Chicago will be involved in the program along with area community colleges.

The University of Illinois was one of ten schools in the United States to receive such a grant. Its share was one of the largest because regional extension of medical education has already been established.

Our newest major campus, Chicago Circle, continues to exhibit astonishing maturity for a still-developing comprehensive campus. Unless one visits this commuter campus enrolling about 20,000 students, it is difficult to imagine the intellectual vitality which exists there. The seeming confusion as thousands of young people drive, walk, bus, or train to the campus masks a spirit of educational motivation on the part of students, staff, and faculty which is not present on many campuses today. Time permits recitation of only a few programs at the Circle Campus.

One specialized concentration in the Jane Addams Graduate School of Social Work is social treatment, including a range of individual, small group, family, and other therapeutic interventions.

The Social Work-Police Manpower Demonstration and Research Project is an example. Professional social

workers and graduate students are placed in police stations to work on juvenile and family problems, provide crisis intervention, and serve in selected adult situations. The social work effort is aimed at effective intervention at the earliest point of contact with the criminal justice system. The students involved in this program attend classes two days a week and work three days in the field in Niles and in Wheaton. A major goal of this unique program, the first of its kind in the nation, is to develop strong cooperative relationships between social work professionals and law enforcement agencies and individuals.

For the Christian Action Ministry, which owns a site on the Near West Side, students of the College of Architecture and Art in the summer of 1972 prepared program and design studies to provide a facility for full-time child care, adult day care, nursing services, a medical clinic, a participating arts center, and a center for career development in collaboration with several agencies.

How do you build a playground that is creative, educational, interesting to different children, safe and inexpensive?

This problem is one that freshman architecture students at Chicago Circle worked on as a course project beginning in September of 1971 and running through mid-summer of 1972.

R. Thomas Jaeger, Associate Professor of Architecture, said his twenty-five students voted to design and construct a playfield for Christopher House, a multi-service agency, following a suggestion by a teacher in the agency's Day Care Program.

In the first five weeks of the project, students planned for varied climbing structures for physical development; mazes allowing a child to make a decision and thus exercise his mind in a "fun" way; small playhouses and wooden box structures to give him privacy and to let him fantasize alone; and conventional equipment such as sandboxes, slides, and different kinds of swings.

The Circle College of Education has received a \$50,000 grant from the Department of Health, Education, and Welfare to assist the College in expanding its program in special education.

A child study-diagnostic and research unit, when developed, will have facilities in the College of Education for an in-depth study of handicapped children for the purpose of research and training, as well as assisting metropolitan Chicago's school systems in providing more efficient and effective special education programs.

The problem of crime on the CTA is among several new study areas added to mass transportation research at Chicago Circle as a result of a \$81,318 supplementary grant from the Urban Mass Transportation Administration.

The three-year federal grant is added to an original \$150,000 awarded in 1970 for faculty-student study of mass transportation.

In addition to the problem of CTA crime, organized labor's considerations in the planning and generation of urban mass transit systems are being investigated. Another

problem under study is how best to solve the transportation problems of fast-growing unincorporated areas near major cities.

Overall project objectives are encouragement of additional mass transportation research and the training of students for jobs in the transportation field.

Our Urbana-Champaign Campus continues to demonstrate its historic leadership in higher education. While a highlight of this year must be the receipt by Professor John Bardeen of his second Nobel Prize in Physics, each month sees additions to the list of Urbana-Champaign faculty members and students who have received national and international recognition for their work. Eleven faculty members or alumni of the University of Illinois at Urbana-Champaign have received Nobel Prizes; thirteen have received Pulitzer Prizes. But other, less heralded activities at Urbana-Champaign are also worthy of mention. Examples are some current activities conducted under auspices of the College of Education at Urbana-Champaign.

Professors Keith Scott and Jana Lucas (Educational Psychology) are investigating the types of errors made by mentally retarded children in reading isolated words. These results will be compared with the types of errors made by normal elementary school children. From this research, beginning reading materials for the mildly retarded can be developed and implemented on the PLATO IV system. The area of reading is of particular interest because 1) it is a basic academic skill and 2) because the PLATO IV system, with random access audio capabilities, can deliver "high quality programming to the mildly retarded on an individual basis."

Professor Daniel Delaney is involved in several research and service projects in the Kankakee area including a study of "dropout prevention" strategies. The study focuses on students determined by their teachers to be potential dropouts.

Professor Larry Goulet is initiating a culture-based education program at Crane High School in Chicago. Culture-based education is a primary focus of several educational psychology faculty members.

Associate Professor Thomas Long is studying ways to train professors to be teachers by focusing on teacher training of teaching assistants.

Or, here are two examples from the School of Chemical Sciences. In both cases the work cited involved collaboration between a faculty member and his graduate thesis students.

1. Professor John Wood in the Biochemistry Department received the first Synthetic Organic Chemical Manufacturers Association Medal for Outstanding Achievement in Environmental Chemistry. This was awarded in recognition of the work that he and his students have done on the mechanism by which mercury waste can contaminate the food chain.

2. Professor Willis Flygare and students in the Chemistry Department discovered evidence of the existence of a nitrogen containing molecule, formamide, in interstellar

space by observing its microwave spectrum. This has implications about the existence of chemical molecules that might be considered life precursors.

Or, consider a unique, student-directed program. This year the students of Volunteer Illini Projects are working with the Governor's Task Force on Blood to help Illinois convert to all-volunteer blood for transfusions by July 1, 1973, when blood from paid donors will no longer be used.

The students have worked out a unique arrangement with the Peoria Regional Blood Program of the American Red Cross and the recently established Champaign County Blood Bank. Recognizing that there is a continuous need for blood, and that more donors will give if there are more opportunities to give, the students are holding monthly three-day blood drives. The blood is collected both by the Red Cross, for regional use, and by the local blood bank, for local needs. Both agencies also ship blood elsewhere in Illinois, to help with shortages.

The result is that donations are running several hundred per cent higher than in previous years. Better than that, they are coming at a pace better suited to the need for blood.

The students hope that their program of monthly drives, bringing blood both to local and to regional banks, will serve as a model for campus involvement in an all-volunteer blood program for the State.

Many of these programs and others on our three campuses are made possible in part by federal funds and grants and contracts from private sources. Usually in keen competition with universities throughout the nation, the University of Illinois is one of the top institutions in total of federal support and a leader among state universities in grants and contracts from private organizations. The impact of this "revenue sharing," made possible because of the University's strength, has a major impact upon the educational and economic progress of the State of Illinois. This fact is not often fully realized.

An example is a project labeled "an interdisciplinary study of environmental pollution by lead and other metals." For an 18-month period ending April 30, the University and its scientists have received \$960,000 from the National Science Foundation, and an additional \$1 million has been requested for continuation of the study of this important human problem.

Let's retrace, for a moment, how such grants come into being and what effects they have upon society. Four years ago a group of faculty members, ranging from engineers to zoologists, began discussion of lead pollution, lack of knowledge about its effects, and what ought to be done to help people.

Lead is a poisonous element without any known beneficial biological function. National concern is reflected in regulations about leaded gasoline. There has been controversy over the importance of automotive lead as a health hazard, but introduction of nearly three pounds per capita per year of the poisonous metal affecting soils, plants, animals, water can no longer be ignored.

Through discussions the faculty group worked up

twenty-three projects in departments in agriculture, engineering, life sciences, social sciences, and physical sciences.

First came a planning grant from NSF in the amount of \$259,000. This produced evidence that no comprehensive systems approach had been made to the distribution and environmental effects of lead; no study of the ecosystem, including both rural and urban components, had been made to describe the distribution of lead and what areas of concern were related to this distribution; no factual basis existed on which to predict the future.

Faculty members developed an interdisciplinary approach to focus University potentials on the total problem. Instead of individual activities in specific fields, general goals were developed in which teams of scientists could attack phases of the overall problem through laboratory and field studies.

The Sanitary Engineering Laboratory at Urbana-Champaign became the Environmental Research Laboratory. Remodeling and new equipment funds came primarily from overhead on outside-funded research — money from existing research pumping the lifeblood into a newly developing area not yet on its own.

Besides scientists and facilities, the University also could make available its resources of Library, other laboratories on the campus, and outstanding computer installations and experts to operate them. Three State Surveys, located on this campus, provided expertise in the areas of Geology, Natural History, and Water.

When the plan was ready, application for funding was made to the National Science Foundation and the grant of \$960,000 was made. What specifically has this "revenue sharing" meant? Three professional scientists have been employed full time, another half time, and seven during a summer. Research experience has been provided for ten post-doctoral research associates, forty-seven graduate assistants working on advanced degrees, and twenty-one undergraduate students. Thirty-five faculty members were involved, giving their service as part of their regular activity. Results in the form of reports, graduate theses, and other informational sources have begun the flow of pertinent findings to the world. Further, do not overlook the enrichment of knowledge made possible by training of graduates who have developed expertise in a field not heretofore investigated in depth.

As a partial outgrowth has come the University's new Institute for Environmental Studies whose public service activities include assistance to government and private organizations. And the grant, through a portion set aside from overhead payments to the University, in turn will provide support for other new research either unborn or struggling to life.

Now, to understand the totality of the University's "revenue sharing" multiply all of the income and beneficial results of this one instance by fifty times. You then begin to comprehend how this cycle of funding, of activity, and of impact upon the progress and well-being of the State of Illinois are made possible because of your University's outstanding faculty, its facilities, resources

w and know-how, and its traditional dedication to teaching,
st research, and public service.

ci These examples and the countless others that could be
T given are the ingredients which make up your University
a of Illinois. We are programs and people; we share with
s the Man of La Mancha the quest for "Impossible
cl Dreams"; and more often than not higher education has
ii succeeded in converting such dreams into the possible.
P Because we deal in futures, the measurement and evaluation
s of our success or failure is both difficult and deferred.
P And now we face both the problems and the possibilities
ii of stability. The last twenty-five years in higher education
c have been years of unprecedented growth in students, in
v staff, in facilities. Our current reality is that growth in
c numbers will be slowed.

The people of the University of Illinois are hard at
work to face this reality of a new world. We can and will
substitute growth in quality and growth in educational
effectiveness for growth in numbers. We are a major asset
of the people of Illinois and we must depend upon the
continuing support of the people if we are to continue the
appreciation of that asset which characterizes our history.
The dollars invested by you, the taxpayers, in your Uni-
versity are dollars which have earned handsome returns
for our State. We shall ask you to continue that invest-
ment program so that we can continue to serve you as
you have come to expect us to do. Unlike many other tax
expenditures, your dollars for us live on in programs and
in people. As we have contributed with your help to the

Application for Retirement

It is important that members of the faculty who con-
template retirement file an application with the State
Universities Retirement System. Failure to do so before
the date the annuity is to become effective can result,
and in some instances has resulted, in delay in payment
and even loss of benefits.

Since the retirement system has no way of knowing
when faculty members plan to retire, especially those who

solution of problems in agriculture, in engineering, in
business management, in health, and in many other fields,
so shall we contribute to the solution of those social prob-
lems which loom so large before us today. We, with you,
have faith in the power of the intellect and we, with you,
look toward the future with confidence and with en-
thusiasm. I am proud to work on your behalf as President
of the University of Illinois; we can all be proud of the
men and women, young and old, who continue to provide
you with one of the great programs of higher education
in the world.

*The President's Annual Message was released Feb-
ruary 25 and carried by twenty-eight television stations
in Illinois, Indiana, and Missouri and by sixty-two radio
outlets, including forty-seven in Illinois and fifteen
throughout the nation.*

Erratum

An error in the Illinois Board of Higher Education
Executive Director's Report No. 113, which was
presented in part in *Faculty Letter* No. 234, Febru-
ary 21, 1973, appeared on page 6 in the *Faculty
Letter*. In the second line of Table 8 "(in thousands
of dollars)" should read "(in millions of dollars)."

retire before mandatory age, is behooves the faculty
member to notify the retirement office sometime before
date of retirement. Write the State Universities Retire-
ment System, 50 Gerty Drive, Champaign, Illinois 61820.

Inquiries to the *Faculty Letter* may be directed to the
editor, Lucille Turigliatto, 369 Administration Building,
Urbana. Telephone 333-1562.





FACULTY LETTER

FROM THE OFFICE OF THE PRESIDENT · UNIVERSITY OF ILLINOIS

No. 236, April 27, 1973
THE LIBRARY OF THE

Impact of Proposed Federal Budget on the University of Illinois JUN 4 1973

The following material describes the impact upon the University of Illinois of the federal budget for Fiscal Year 1974 as proposed by President Nixon. Compiled by the Office of the Vice President for Governmental Relations and Public Service, the report is based on indepth reviews by the campuses.

This statement has been distributed to the Illinois Congressional delegation, the Governor, the Illinois Director of the Bureau of the Budget, State legislative leaders and chairmen of education and appropriations committees, legislative staff members, and national educational associations. Federal budgetary impact also was the topic of discussion at President Corbally's annual Congressional breakfast meeting held earlier this month in Washington, D.C.

GENERAL CONCLUSIONS

1. The federal budget impact represents a total loss of approximately \$9,000,000 to the University of Illinois for 1973-74. (See table following.)
2. The loss in funds for operating purposes alone (excluding construction of facilities) will exceed \$5,300,000.
3. In view of the presumed federal priority for health-related education, it is surprising that the heaviest operating impact will be felt at the Medical Center—a loss of \$2,800,000.
4. The smallest dollar impact will be felt at the Chicago Circle Campus, which, as a developing institution, has a relatively low federal-support base at present.
5. Predictability and flexibility for budget planning are put in jeopardy by particularly heavy cuts in unrestricted, formula-based funds for institutional support, as distinguished from student support.
6. Graduate and professional education suffers severely, not only in student assistance, but in all the related supportive services, which affect both faculty and programs. Injury is also done to the recruitment of minority students in the health professions.
7. While the federal budget puts heavy funding emphasis on general undergraduate student aid, or "equal educational opportunity," the net effect cannot now be deduced. The intended maximum impact, with an estimated potential half-million-dollar gain to the University of Illinois, seems impossible of realization for student use in 1973-74, thus leaving doubt also about existing programs as a source of assistance. The short-run prospect is worse rather than better.

8. The budget declares war on "categories generally in the higher education portion adds some new categories while taking away some old ones. The net effect will derive from the balance between the mere possibility of some gains and the clear certainty of many losses. Whatever the result for the University as an institution, the losses to particular programs will be beyond any possible federal recovery because the new funds, like the old ones complained about, are restricted as to purpose.

I. GRADUATE AND PROFESSIONAL EDUCATION

General Impact

1. As a prime example of eliminating categorical grants and also programs which have allegedly "done the job," the fifteen-year-old, defense-related graduate fellowships under NDEA, Titles IV and VI, are eliminated for advanced language and area studies and phased out for preparing college teachers, now regarded as in over-supply.
2. Training grants are dealt a heavy blow: that is, those grants which have long sustained advanced study toward national manpower goals in critical areas and have been used for graduate-student aid, related faculty salaries, and supportive services. They are terminated because of an "adequate supply of manpower"—"a general policy to eliminate most subsidies for specialized training in selected professional disciplines" because "doctoral level scientists (can) . . . bear the cost of their training themselves."
3. The NSF graduate traineeships will be cut to zero from \$4,800,000 currently.
4. As a reversal of recent trends, these traineeships are being phased out, with no new starts:
Training of Teacher Trainers, Education Professions Development Act
National Institutes of Health
National Institutes of Mental Health
5. A variety of nursing-training programs, some undergraduate, are similarly eliminated or reduced.
6. Disciplines particularly hard hit are psychology, social work, pharmacy, nursing, and public health.
7. On the upward side, the National Science Foundation will support 500 new fellowships, as distinguished from traineeships.
8. The Health Professions Scholarship Program is cut by a third (\$5,000,000 cut from \$15,000,000) as the first step in a phase-out operation; the related loan level remains the same despite increased enrollment.

9. To provide some offsetting relief in the health sciences, a National Health Service Scholarship Program is proposed (\$23,000,000) for students who pledge to serve in the National Health Service Corps or commissioned corps of the Public Health Service.

University of Illinois Impact

1. Graduate education is hard hit, with losses both in dollars and in presumed-established principles, the direct financial loss running to \$1,603,021 in federal fellowships and traineeships.
2. An important and valued source of graduate student support in the humanities and social sciences at Urbana, under NDEA auspices, Titles IV and VI, will drop from \$326,068 to zero, compounding immediately the competition for alternate University student aid and contributing subsequently to reduced enrollment. (Example of impact: 35 graduate students are now supported under Title VI in African, Russian, Asian, and Latin American fields at Urbana.)

3. Present impoundment practice and lack of specifics leave doubt that all graduate fellows and trainees "in the pipeline" will be supported until completion of their objectives; if not, other University funds must be found or the student must choose between quitting and resort to further indebtedness.
4. Traineeship cuts on the Medical Center Campus are computed at \$484,068, on the Urbana Campus at \$329,625, and on the Chicago Circle Campus at \$50,300; but if, in fact, terminations come abruptly, there will be a 1974 loss of \$1,735,602 at the Medical Center alone.
5. Because some residency training stipends are supplemented by certain traineeships, losses will be felt in the clinical areas of surgery, orthopedics, otolaryngology, psychiatry, and psychology.
6. NSF aid for graduate study on the Urbana Campus is seriously impaired: \$144,000 lost in traineeships and uncertainty about University of Illinois benefits from

**1974 Federal Budget Impact
ANTICIPATED LOSSES IN FEDERAL SUPPORT*
University of Illinois**

	<i>UICC</i>	<i>UIMC</i>	<i>UIUC</i>	<i>TOTAL</i>
<i>I. Graduate and Professional Education</i>				
1. Fellowships				
NDEA, Title IV, college teachers			\$ 173,250	\$ 173,250
NDEA, Title VI, language and area fellowships			152,818	152,818
2. Traineeships				
Training of Teacher Trainers			84,997	84,997
NSF traineeships			144,000	144,000
Training grants	\$ 50,300	\$ 484,068	329,625	863,993
Special nurse training (partly undergraduate)		186,953		186,953
<i>II. Institutional Grants</i>				
1. Bankhead-Jones, land-grant formula			268,752	268,752
2. School of public health support		102,000		102,000
3. Language and area centers			185,542	185,542
4. Capitation grants		645,200	216,000	861,200
5. Special educational improvement grants		501,000		501,000
6. Social and rehabilitation services	20,000			20,000
<i>III. Research</i>				
1. General research support grants		228,800		228,800
2. Regional medical program		665,000		665,000
3. Agricultural			440,896	440,896
4. Engineering research categories	100,000			100,000
5. Psychological research	100,000			100,000
<i>IV. Public Service</i>				
1. Cooperative Extension Service			100,000	100,000
2. University community service			11,538	11,538
3. Bilingual education program	100,000			100,000
4. Community mental health centers		16,500		16,500
<i>V. Construction of Facilities</i>				
1. Classroom Office-Student Service Building	1,500,000			1,500,000
2. Law Building addition			1,300,000	1,300,000
3. Speech and Hearing Clinic (interest subsidy: \$180,000, direct grant: \$330,000)			810,000	810,000
TOTAL	<u>\$1,870,300</u>	<u>\$2,829,521</u>	<u>\$4,217,418</u>	<u>\$8,917,239</u>
TOTAL FOR OPERATING PURPOSES ONLY	<u>\$ 370,300</u>	<u>\$2,829,521</u>	<u>\$2,107,418</u>	<u>\$5,307,239</u>

*Exclusive of consideration of undergraduate student aid; see Part VI of discussion.

the 500 new fellowships, since they will be awarded to students in a national competition.

7. The Urbana College of Education will lose \$81,997 in the phasing-out TTT Program (Training of Teacher Trainers).
8. Several specialized types of nursing training grants, some undergraduate, will add another \$186,953 to the losses at the Medical Center.
9. The trend in student aid for health professionals is downward, with heaviest impact on the most needy, including minority students. The Medical Center has what is approaching a "desperate financial aid situation" because of added scholarship demand resulting from expanded enrollments in Chicago, Peoria, Rockford, and Urbana, plus the rising cost of living and of needed equipment.
10. The College of Medicine (\$61,000) and the College of Dentistry (\$60,000) will have a minimum reduction of \$121,000 in federal loan and scholarship funds for next year. The phasing out of the Health Professions Scholarship Program affects more than 200 students in medicine and dentistry. While current recipients will have continued support, funds will not be available for new starts or replacements in the first-year class, except under the postgraduate public-service restrictions. This will seriously affect recruitment of minority students.
11. While some students will seek aid from the new National Health Service Scholarship Program, the restrictive service conditions will keep it from ameliorating the losses.

II. INSTITUTIONAL AID

General Impact

1. The explicit policy is to eliminate or phase out general aid to institutions and put emphasis on *student* aid instead, and also to cut back where national goals are allegedly already attained; hence zero-budgeting is applied to
 - a. historic land-grant aid under the Bankhead-Jones Act (now \$10,000,000)
 - b. schools of public health and allied health fields (now \$51,649,000)
 - c. language and area centers under NDEA (now \$6,500,000)
 - d. capitation grants (based on enrollment increases for health manpower development) in fields of nursing, pharmacy, veterinary medicine, and allied health fields.
2. Special improvement grants in medicine, under the Health Professions Education Act, are cut 36 per cent.
3. Special improvement grants in allied health fields are eliminated.
4. Cuts are made in Social and Rehabilitation Services, HEW, thus adversely affecting schools of social work.

University of Illinois Impact

1. The negative policy on institutional aid will mean a major loss of \$1,938,494 — and in that portion of federal assistance which heretofore has been most dependable for budget planning.
2. Traditional land-grant formula funds for instruction will be reduced to zero (Bankhead-Jones), a loss of \$268,752 on the Urbana Campus.

3. The new School of Public Health, Medical Center, will suffer a loss of \$102,000, with the federal government's stated expectation that state and private sources will make up the difference for the seventeen public health schools which serve the nation. The blow to this essentially "federalized" area is not greater because of the School's early development, but problems of alternate funding remain nevertheless.
4. Long-standing federal aid, now totaling \$152,818, for three language and area centers (Russian and Eastern European, Asian, and Latin American), Urbana Campus, will be discontinued; and while this had never been the major source of center support, it is the "critical margin" which goes to library resources, travel, small classes in exotic languages, and flexibility beyond state funds. It also legitimizes the international dimension for matching support from nonfederal sources.
5. Loss of capitation grants will lop off 25 per cent of the budget of the College of Pharmacy, Medical Center, or \$450,000, with serious and compounded impact because the new and innovative programs are precisely those developed and sustained by this existing federal income.
6. Other capitation-grant losses will total \$195,000, including the College of Nursing and the College of Dentistry, which will be denied "bonus class" increases. All capitation cuts are unexpected impediments to plans for enrollment expansion under current federal priorities.
7. The cut-back in special improvement grants means Medical Center losses of \$111,000 in the College of Medicine and \$90,000 in the School of Associate Medical Sciences.
8. Chicago Circle will suffer a \$20,000 loss in faculty support in social work — part of a two-year federal phase-out.

III. RESEARCH

General Impact

1. This is essentially a standstill budget for academic science, allowing for inflation, although the National Science Foundation appropriation sought is almost \$40,000,000 below last year. A net of \$58,900,000 is carried forward from withheld funds; hence, the budget claims that further shifting leaves an "effective" spending level of \$46,200,000 more than in 1973.
2. Health research is little changed in total but quite differently distributed, particularly among the Health Institutes: cancer and heart disease funds are up but, for the first time, at the cost of other programs (e.g., every other NHI institute suffers a decrease). Also for the first time, general research funds for the National Institutes of Health show an absolute decline. Training of health research personnel is down.
3. General Research Support Grants in health-related fields, awarded to the University by formula in relation to total grants and contracts, are being phased out.
4. Both the funding and the legal authority for the Regional Medical Program (currently \$60,000,000) will come to an end in June, 1973, because the expectations have "not in fact been realized" in seven years of existence.
5. Agricultural research suffers a major decrease of \$17,

700,000, a 19 per cent cut for the Cooperative State Research Service.

6. Funds for the National Foundation of the Arts and Humanities are up a record \$71,486,000.
7. The research and reform arm of the new Education Division of HEW, the National Institute of Education, will receive \$13,000,000 more than in 1973; the expectations are modeled after the National Institutes of Health.
8. Defense, NASA, and the Atomic Energy Commission budgets for research and development in universities have small gains and losses which essentially balance out.
9. Transportation, housing, and energy research are emphasized among the domestic ills to be attacked, but with only modest increases related to university use.

University of Illinois Impact

1. Phasing out of General Research Support Grants in health means a loss of \$210,800 at the Medical Center.
2. The loss of the Regional Medical Program will total \$665,000, but part of the loss should be ascribed to "service" as well as research.
3. The University's share of the agricultural research cut is computed at \$140,896.
4. Cuts and phase-outs in training grants (covered elsewhere) will adversely affect research: by reducing support of related faculty and crippling the multiplier in research when used as a *teaching* method with graduate students.
5. The impact in most research grant categories cannot be predicted because of the competitive awarding of grants and contracts, different expiration dates, and the effect of a single large project as compared with many small ones. The impact will obviously be smallest on the Chicago Circle Campus, where the present low federal-support base reflects an early stage of development.
6. From several sources, a loss of \$200,000 is estimated in engineering and psychological research (\$100,000 each) at the Chicago Circle Campus.
7. Possible research gains, although problematical, are available through these new or expanded opportunities:
 - a. humanities projects, National Endowment for the Humanities, particularly if related to the Bicentennial Celebration of 1976
 - b. heart and cancer research
 - c. sickle cell disease center aid
 - d. educational initiatives awards under the Comprehensive Health Manpower Act
 - e. NSF Research Applied to National Needs program
 - f. National Institute of Education programs
 - g. innovations under new \$15,000,000 fund administered by the Assistant Secretary of HEW
 - h. transportation and housing research
 - i. energy programs.

IV. PUBLIC SERVICE

General Impact

1. While the budget justification statements look favorably on the practical, the applied, and the problem-oriented, as well as adult education, any dollar reading of the

impact is obscured by trade-offs, revenue sharing alternatives, and ill-defined categories.

2. While the Cooperative Extension Service shows an increase, this is more than offset by an increase in the reimbursement for penalty mail, creating a net reduction of \$2,500,000.
3. University community service (Title I, Higher Education Act), originally conceived as a *general* extension program to parallel that in agriculture and home economics, was never funded (last at \$9,500,000) as authorized and is now eliminated because of failure to find a mission.
4. Community mental health centers are cut out (from current \$134,000,000) on the assumption of local support instead.

University of Illinois Impact

1. The University's share of the national reduction will take \$100,000 from the Cooperative Extension Service.
2. The zero for university community service means a \$11,538 decrease from 1973; distribution, however, is by grant from the Board of Higher Education and has run as high as \$80,000. The loss here is chiefly in the principle of federal commitment to extension of the non-rural type, intended as a prototype to expand rather than to eliminate.
3. Cuts in the Education Professions Development Act (covered elsewhere) will remove the \$100,000 bilingual education program at the Chicago Circle Campus.
 1. The College of Medicine, Medical Center, will suffer a \$16,500 decrease in support for community mental health centers.

V. CONSTRUCTION OF FACILITIES

General Impact

1. Amid references to "overbuilding," direct grants for academic facilities are zero-budgeted.
2. There will be no *new* loans for interest subsidies for academic facilities. The \$31,425,000 in the budget is to serve past loans from the private market.
3. Hill-Burton hospital construction funds are eliminated.

University of Illinois Impact

1. There will be no hope of getting the \$330,000 direct grant sought for the Speech and Hearing Clinic, Urbana Campus, with application pending.
2. The negative will also apply to more than \$3,280,000 of potential grants (computed at the rate governing the last grant) under pending applications for interest subsidies on almost \$11,000,000 in three projects:

Classroom Office-Student Service Building,	
Chicago Circle	\$5,000,000
Law Building Addition, Urbana	\$4,312,000
Speech and Hearing Clinic, Urbana	\$1,607,760
3. While the Hill-Burton elimination has no effect in 1974, that expected source is gone for direct federal matching aid in any future hospital construction.

Part VI of this report, dealing with the impact on student aid, will appear in a forthcoming issue of the *Faculty Letter*.

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FACULTY LETTER

FROM THE OFFICE OF THE PRESIDENT · UNIVERSITY OF ILLINOIS

No. 237, May 4, 1973

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UNIVERSITY OF ILLINOIS
AT URBANA-CHAMPAIGN

President's Statement to IBHE on FY 1974 Operating Budgets for Higher Education

JOHN E. CORBALLY JR., PRESIDENT, UNIVERSITY OF ILLINOIS

On May 1, 1973, the Illinois Board of Higher Education undertook to advise the Governor concerning the way in which the sums for higher education proposed in his budget message for Fiscal Year 1974 should be allocated among institutions and programs. This advice included no allocations for staff or faculty salary increases or for funds to meet price increases caused by continuing inflation. My statement in opposition to this advice follows.

The IBHE took two actions on May 1 related to FY 1974 budgets. The Board unanimously reaffirmed its support of its earlier budget recommendations adopted in December, 1972, and February, 1973. But the Board also unanimously approved the advice mentioned above concerning the allocation of the Governor's proposed amount for higher education. The Board did add a phrase to this advice to express the view of the Board that such an allocation would have "concomitant adverse effects" upon higher education in Illinois. This amendment was added by a 9-4 vote.

We shall continue to press our case for our needs and for our priorities with the General Assembly and with Governor Walker and his staff.

MEMBERS OF THE BOARD OF HIGHER EDUCATION:

I rise to speak particularly to the suggestions which you are being asked to endorse which relate to the allocation of funds suggested by Governor Walker to represent the new money available for the operating budgets for higher education for Fiscal Year 1974. While I am troubled by Governor Walker's suggestions for both operating and capital funds, the crucial area in which we must now stand and be counted is in the area of operating funds.

In 1970-71, the University of Illinois received an appropriation from general revenue funds in the amount of \$168,157,756. The recommendation before you today suggests that for 1973-74 the University of Illinois should receive \$167,387,969 in general revenue funds. That recommendation envisions a decrease in general revenue

funds for the University since 1970-71 of approximately \$770,000.

The following events have occurred since 1970-71:

1. We have faced an annual rate of cost increases of approximately 5 per cent per year.
2. Our enrollment has increased by over 5 per cent.
3. We have begun the expansion of programs in medical education and the health services.
4. We have opened and are operating new buildings on our three campuses.
5. We have conformed to and must continue to meet new requirements of both Environmental Protection Agency and Occupational Safety and Health Act at real cost to the University.
6. We have maintained and in many cases have improved the quality of our programs and our commitment to increase enrollment from minority and disadvantaged groups.

The recommendations now before you for revising the FY 1974 budgets as previously adopted by this Board are *preposterous*. They are so at odds with the real and pressing problems of higher education as to be actually *counterproductive*. Our three most serious problems are:

1. **Personnel salaries.** There is no major state in the country which does not anticipate providing a needed increase in compensation for public university staff and faculty members. We are lagging behind the country in faculty salaries and behind the community in nonacademic rates.

Yet the Board Staff recommends no salary increase!

2. **Price increase.** Surely no one is unaware of the most pressing problems in the economy today. The price of fuel alone will cost several millions of dollars more next year for higher education.

Yet the Board Staff recommends no increase in operating funds.

3. **Loss of Federal Funds.** The anticipated reduction in the support of instructional programs by the Federal

Government will seriously impair programs of vital interest to the State.

Yet the Board Staff recommends no offset and appears not even to recognize the problem.

This apparent lack of awareness of the needs of higher education is actually compounded by the *absurdity* of the recommendation for the allocation of even a reduced amount of resources. What the Board Staff recommends is:

- A. A \$9.8 million dollar expansion of new and expensive programs.
- B. An increase in ISSC funds of \$2.9 million beyond the estimated FY 1973 expenditure when in fact ISSC will likely have a surplus of \$2 million at the end of FY 1973.
- C. An increase of \$2.5 million in support of *private* higher education through raising the limit of ISSC to \$1,300.
- D. An expansion in enrollment in the junior colleges costing \$6.1 million.

The Board Staff might respond by claiming that we can meet all of the other problems through reallocation — that mysterious asterisk on the sheet before you. It is clear that we have met our needs over the past three years through massive reallocations and that route is no longer available to us. To imply that reallocation is a solution is to imply what is simply not true.

I do not believe that the Board of Higher Education can in good conscience approve this proposal. I do not believe these allocations speak to the needs of higher education in general and most assuredly do not speak to the needs of the University of Illinois. They violate the priorities of the Board of Trustees of the University and also the previous priorities of this Board in adopting Executive Director's Reports 112 and 113. I believe this proposition is so against the best interests of the State, the people, and higher education that it should be categorically rejected. If the Governor really seeks advice about the real effect of his recommendation on higher education in Illinois, this Board should provide that advice. The only legitimate advice is that the amount which he proposes must be distributed to faculty and staff salary increases and that the amount he proposes will only barely meet that need on even minimum criteria of need and of equity.

The only legitimate advice is that if the amount the Governor proposes is all that is available, there must be a total moratorium during Fiscal 1974 on all new or expanded efforts in higher education in Illinois. That moratorium includes the cessation of growth in all health professions education; the cessation of enrollment increases in all of public higher education; the cessation of

improvements in scholarship programs; the cessation of growth as planned in new institutions; and the cessation of growth in so-called new delivery systems. If that is all the money available, we cannot devote our time to new planning efforts; we must instead work against heavy odds to guarantee survival for 1973-74.

The amount the Governor proposes does not represent higher education's proportionate share of the results of economic growth in Illinois — growth to which higher education contributes more than its fair share.

That advice is honest, straightforward, and factual. It is not a threat, it is not a failure to respond, it is not a failure to face reality. It is the reality.

Our nonacademic staff and our faculty and our students should not be asked to continue to bear the financial burden of meeting the State's responsibility to support a quality program of higher education in Illinois. The Governor asked for advice and I welcome his request to you. But your task is to respond to that request with honesty, with candor, and with facts. The fact is that what you approved last February is what is needed if we are to do what we are asked to do in higher education. We ask that you not seriously confuse and undermine that earlier advice with numbers which are artificial and which represent poor advice. We hope that you will support the needs of our people for salary equity as the first priority and will state that even that priority is barely met within the number suggested by the Governor.

It is inconceivable to me that the recommendations of this Board *could be* for expansion, for new programs, for more aid to private universities and for even more scholarships when the fundamental base of all of senior public higher education is rapidly eroding. If funds are to be restricted then we must *contract* not *expand* if we are to maintain the quality and validity of our system.

We therefore ask you to:

- A. Reaffirm the needs and priorities of Executive Director's Reports 112 and 113 so that the General Assembly and the Governor can consider the actual needs against other state priorities; or if the Governor's figure represents all that will be available,
- B. Reaffirm the need for salary increases and for funds to meet price increases before new programs and expansion are considered and declare the need for a moratorium on all growth and expansion in all of higher education in Illinois.

Inquiries to the *Faculty Letter* may be directed to the editor, Lucille Turigliatto, 369 Administration Building, Urbana. Telephone 333-1562.



FACULTY LETTER

FROM THE OFFICE OF THE PRESIDENT · UNIVERSITY OF ILLINOIS

No. 238, July 6, 1973

University Joins Midwest Universities Consortium on Air Pollution

The Board of Trustees, meeting on the Urbana-Champaign Campus June 20, approved participation of the University in the Midwest Universities Consortium on Air Pollution and authorized University officers to take such steps necessary to provide for its representation in the consortium and for its formation. Recommendation by the President for participation was supported by the University Council for Environmental Studies and by the Vice President for Academic Development and Coordination.

This is the President's recommendation to the Board:

The University of Illinois has been invited to join with the University of Wisconsin-Madison, Purdue University, the University of Minnesota, Northwestern University, Illinois Institute of Technology, and the University of Notre Dame in the formation of an organization to be known as Midwest Universities Consortium on Air Pollution.

The purpose of the consortium will be to facilitate and coordinate action by and among the member institutions in education and research endeavors related to air pollution. It is intended that the activities of the consortium will augment the efforts of the individual participating institutions. Each participating university will exercise internal review over any consortium proposal or request for funds involving that particular university prior to submission to any potential funding agency. To assist in reviews, the existing University-wide Committee on Air Pollution will become a sub-committee of the University Council on Environmental Studies.

Control of the consortium will be vested in a Board of Directors, with each member institution appointing one Director with one vote. Each institution may be assessed on an equal basis for administrative expenses of the consortium up to the sum of \$1,000 for each university in any annual period, September 1 to August 31. Any member of the consortium may withdraw on written notice to the other members.

Appointments for Division of University Extension Reorganization

Pursuant to the "Extension Reorganization" report made to the Board of Trustees at its March 21 meeting outlining the decentralization of certain continuing education functions now performed in the Division of University Extension and the coordination of public service functions generally, the Board on June 20 approved the appointment of Dr. Stanley C. Robinson as University Coordinator of Continuing Education and of Dr. John B. Claar as Associate Vice President for Public Service. The Vice President for Governmental Relations and Public Service recommended the appointments.

Dr. Robinson, Dean of the Division of University Extension since July 1, 1960, became University Coordinator on July 1 and also holds the rank of Professor of Business Administration. A native of Missouri, he is a graduate of Southwest Missouri State College and holds graduate degrees from State University of Iowa and New York University. He has been a member of the University faculty since 1948 when he joined as a visiting lecturer after teaching for several years at Eastern Illinois State College.

Dr. Claar became Associate Vice President for Public Service July 1 in addition to his present responsibilities

as Director of the Cooperative Extension Service and Associate Dean of the College of Agriculture. He holds the rank of Professor of Agricultural Economics. Dr. Claar has three degrees from the University and in addition to his teaching and administrative positions at the University also has served with the United States Department of Agriculture Federal Extension Service.

Presented here is the progress report of the Division of University Extension reorganization as made by the President to the Board on March 21:

Progress Report, Extension Reorganization

In the course of University reorganization, the Division of University Extension has remained an operating function at the general University level, headed by an executive officer still bearing the title of "dean." To bring that function into conformity with the evolving University organization as a system, and to fix responsibility for continuing education closer to the faculty, two objectives are now sought:

1. Redistribution of the Division of University Extension functions so as to (a) provide for decentralization of certain operations to the campuses and (b) assure system-wide policy setting, evaluation, and coordination.
2. While so doing, to strengthen the total public service function in the University of Illinois.

It is proposed, therefore, that

1. Each campus provide an appropriate and clearly identifiable campus-wide framework of structure and responsibilities for the discharge of the continuing education and/or public service functions, with
 - a. Executive responsibility delegated by the Chancellor to an officer who will give leadership to the function and represent the campus in professional-technical relations with his counterparts on the other campuses and with the Office of the Vice President for Governmental Relations and Public Service;
 - b. The designation of an officer in each appropriate college or administrative unit (e.g., an Assistant or Associate Dean) who will give leadership to that unit's counterpart of the function organized in "a" above;
 - c. Systematic means of coordinating the activities represented by "a" and "b" above and of facilitating faculty involvement in policy and planning.
2. Effective July 1, 1973, University-wide machinery be provided for recommending policy to the President, coordinating all relations involving a field staff, and facilitating and evaluating all public service activities for University-wide purposes, as follows:
 - a. Dr. Stanley C. Robinson (presently Dean of the Division of University Extension) be given responsibility, at the General University level, for
 - (1) Assisting the Vice President for Governmental Relations and Public Service in University-wide relationships involving continuing education;
 - (2) Directing those parts of the Division of University Extension which are retained under University-wide administration (the three public safety programs, corresponding study, and the Visual Aids Service).
 - b. Dr. John B. Claar be given responsibility, at the General University level, for
 - (1) Coordinating for University-wide service the activities of the University's field personnel involved in the public service function, both the Cooperative Extension Service field staff and other University field representatives;
 - (2) Assisting the Vice President for Governmental Relations and Public Service in University-wide public service relationships, particularly of the type involving problem-solving and community participation.
(He will retain responsibility for directing the Cooperative Extension Service and serving as Associate Dean.)
 - c. A University Council on Public Service be established to facilitate inter-campus programming and relations, with necessary attention to questions of desirable uniformity of procedures and policies.

Implementing details will be worked out by the President in consultation with the Chancellors, including (a) the transfer of functions and resources, (b) field staff organization and relationships, and (c) methods of reporting at campus and University levels.

Appropriate amendment of the University *Statutes*, if necessary, will be proposed to the Board of Trustees in due course, and reports of campus organizational steps to meet the requirements of Proposal No. 1 and the appointments recommended for Dr. Robinson and Dr. Claar will be submitted to the Board as soon as possible.

Statement on Extension Reorganization

The changes here made, and others in progress, in how the University of Illinois performs its public service function are a significant additional milestone in the University's response to the world in which it exists.

There are outside forces which call for new responses, including:

1. the non-traditional educational needs which are giving rise to the "open universities" abroad and to the proposed Lincoln State University at home
2. the new institutions in Illinois, including community colleges and senior institutions, with which the University of Illinois must share responsibility for serving the public
3. the growing centrality of urban life and the University's heightened commitment to serve the educational and problem-solving needs of Chicago, where two campuses are located
4. the inadequacy of college-age education for lifetime careers in engineering, education, business, law, the health fields, and other professional areas
5. new electronic devices which make possible the sharing of knowledge in revolutionary dimensions of time and space.

The University of Illinois is preparing to meet these challenges more adequately and with greater flexibility. To this end, two changes are being made: (1) placing responsibility for extramural or continuing education firmly upon each campus, where the professional schools and expert personnel provide what is to be "extended"; and (2) pulling together the existing field staff of the University, both that which is general and that which relates to rural life, with sufficient coordination to focus and multiply the University's instructional and problem-solving impact throughout the state.

Agricultural and general extension are in no sense merged. Instead, parts of them are coordinated to create a University-wide field network. The Cooperative Extension Service will remain unchanged except that the Director, Dr. John B. Claar, and the ten District Directors will add a University-wide dimension to what they now do as field representatives attached to a particular campus. In other words, the work of the general extension representatives, six of them now in the Division of University Extension, and of the ten District Directors of the Cooperative Extension Service will be coordinated under the direction of Dr. Claar in his new capacity as Associate Vice President for Public Service.

Dr. Stanley C. Robinson will continue to direct the police training and other public safety programs, correspondence study, and the Visual Aids Service. These units have their independent staffs and do not have to rely heavily on campus-based faculty. As University Coordinator for Continuing Education, he will also serve as staff officer assisting with the University-wide relationships which will necessarily accompany the placing of primary responsibility for all other continuing education at the campus level.

In their University-wide capacities, Dr. Claar and Dr. Robinson will report directly to Dr. Eldon L. Johnson, Vice President for Governmental Relations and Public Service.

We expect this pattern to encourage the Chicago Circle Campus to give more service to Chicago, the Urbana Campus to step up the continuing education of professionals at the graduate level, and the Medical Center Campus to intensify its present services in delivery of health care and in career-

long instruction for the health professionals. We also expect the entire University, with the help of a coordinated field staff, to be in a better position to determine public needs and to make appropriate University response.

The public service tradition is built into the University of Illinois as a land-grant institution. It needs no reiteration in one sense. In another, it indeed does, because the University's

capacities as a center of knowledge may otherwise be seen and used only in the on-campus, college-age dimension. To assure that the broader outreach dimension does in fact derive from the traditional teaching and research functions, this reorganization attempts to create appropriate channels and responsibilities.

Proposal for Administrative Leaves Approved

The Board of Trustees at its June 20 meeting approved a proposal for the granting of administrative leaves. Text of the President's recommendation was as follows:

As the management of academic institutions has become increasingly complex, there has been heightened concern expressed as to the ability of academic administrators to keep abreast of developments in their profession and to find time to design new approaches to their tasks. To provide for such an opportunity on a limited basis, I recommend a plan for administrative leaves as outlined below:

1. After at least five years of service in the position indicated, the following may apply for leaves of two- to four-months' duration at full salary: Deans, Vice Chancellors, Vice Presidents (and those holding the position of Assistant or Associate Dean, Vice Chancellor, or Vice President), and other General Officers, except for Chancellors and the President.
2. Such leaves would be recommended by a Chancellor to the President, or by the President, based upon a review of a specific proposal submitted by an eligible administrator. The proposal would detail the activities to be undertaken during the leave and the manner in which those activities

would enhance the service of the administrator in meeting his University or campus responsibilities.

3. The recommendations would be reviewed by a Committee consisting of the President, the Vice President for Academic Development and Coordination, and the Chancellors. Recommendations from the Committee for the award of such leaves would be made to the Board of Trustees.
4. The duties of those on such leaves would ordinarily be absorbed by others at no added cost to the University. In cases where this is not possible, extra costs may be borne by use of discretionary funds available to the Chancellors or to the President from non-appropriated sources.

The plan proposed would be reviewed at the end of a two-year period to appraise its success and to consider the question of whether there may be justification for altering the list of those now proposed to be eligible for such leave.

Provision has not been made for such leaves for Chancellors or the President inasmuch as they cannot in fact be said to "take leave" from their responsibilities. However, short-term opportunities may be afforded to derive similar advantages in working with professional groups on professional problems.

Bachelor of Social Work Approved for Chicago Circle, Urbana Campuses

Another item on the June 20 meeting agenda of the Board of Trustees was the establishment of a Bachelor of Social Work degree program on the Chicago Circle and Urbana-Champaign Campuses. The Board approved the recommendation, subject to further action of the Illinois Board of Higher Education.

Presentation at the meeting was as follows:

The Chicago Circle and Urbana Senates have recommended the establishment of a Bachelor of Social Work degree program in the divisions of the Jane Addams Graduate School of Social Work on each campus.

This program is designed to provide for professional education for social work in the undergraduate years. It will provide one year of professional social work content in the student's junior and senior years, including a practicum in a social agency. Graduates from the programs will be prepared to assume beginning professional practice in direct social service delivery in a variety of public and private agencies.

The development of these programs follows a policy change in both the National Association of Social Workers and the National Council on Social Work Education. This change accepted, for the first time, the policy of beginning professional education in the undergraduate years, with continuation of graduate study for Master of Social Work and

Doctor of Social Work degrees. The period of study required for the latter degree will be reduced by one year as a result of this change.

At Urbana, it is anticipated that most of the 300 students presently majoring in social welfare in the College of Liberal Arts and Sciences will transfer to the new program. In Chicago, the expectations are that, in the first year of operation, fifty majors might be accepted. In the first year of operation, there will be no new costs involved on either campus.*

The Chancellors at Chicago Circle and Urbana and the Vice President for Academic Development and Coordination concur in this recommendation. The University Senates Conference has advised that no other Senate jurisdiction is involved.

*The future costs will depend on growth in enrollment. However, estimates of such costs are:

	Additional Costs				
	1974	1975	1976	1977	1978
Chicago Circle	\$17,000	\$34,000	\$51,000	\$68,000	\$85,000
Urbana-Champaign	16,000	32,000	48,000	64,000	80,000

These estimates are based on the premise that growth will be steady throughout the period and that there will be 20-25 additional majors on each campus each year and require the addition of one new faculty member on each campus.

Impact of Proposed Federal Budget on University of Illinois, Part VI

Presented here is Part VI of the report, *Impact of Proposed Federal Budget on the University of Illinois*, which appeared in Faculty Letter No. 236, April 27, 1973.

VI. STUDENT AID

General Impact

1. The "goal of equal educational opportunity" is by far the highest budget priority and the best-treated, accounting for the 7 per cent overall increase for higher education despite many cuts in other programs.
2. While general student aid (administered by the Office of Education as distinguished from special aid programs in the health professions) is increased by \$130,000,000, the mix and impact are drastically changed: there is a trade-off of \$622,000,000 in new Basic Opportunity Grants (BOGs) for zero-budgeted Supplemental or Educational Opportunity Grants and no new capital contribution for the National Direct Student Loan program.
3. The intention is to shift to Basic Opportunity Grants for the most needy and to personal indebtedness by private financing for the others. The effect will be aid for more students, but smaller sums per student and more indebtedness for the middle-class.
1. This shift to BOGs is contrary to the provisions of the Educational Amendments of 1972 (which prescribe certain levels for the existing programs as a condition for funding the BOGs); hence Congressional-Executive "negotiations" will be required on a point which was divisive and presumed settled last year.
5. The Congressional-Executive battle over the new mix will produce a critical time impact. It is unlikely that the delivery system for the BOG program can be operative for 1973-74 or that appropriations for the other programs (since Congress will have to confront the Executive on the issue) will be known in time for even tentative commitments to students this spring.

University of Illinois Impact

1. More total dollars may eventually be available — perhaps an increase of \$585,371 (above 1972-73 base of \$3,551,682) assuming that the University of Illinois share of BOGs will be divided among eligible applicants at a maximum level of \$900 instead of \$1,400, minus family contribution, since the federal request is not really "full funding." (See table following.)
2. The total new mix will offset a loss of \$1,326,921 in Educational Opportunity Grants and \$1,485,846 in direct student loans.
3. The critical time problem will affect all campuses but

is compounded on the Urbana-Champaign Campus by the early calendar, with registration beginning August 23, 1973.

4. More undergraduate students will be aided but for smaller sums than heretofore, with greater pressure on state and University funds for the remainder, since no student may cover more than half his educational costs from federal sources.
5. Graduate students in particular will be adversely affected
 - a. by the phasing out of the National Direct Student Loan program unless given distinct priority for the drastically reduced NDSL funds
 - b. by the emphasis on privately financed loans, because experience shows that the mobile graduate student has trouble finding a bank to make such a loan.
6. Cost of campus administration will rise, with more paper work, without any federal aid for federally-imposed tasks.
7. The University's student-aid officers prefer the existing programs because
 - a. the proposed \$622,000,000 in BOGs is not "full funding"
 - b. the new program will operate by national guidelines and forms
 - c. the existing campus-based programs permit greater flexibility in meeting both individual student needs and institutional recruitment and enrollment objectives.

STUDENT AID

University of Illinois Estimated Maximum Share of FY74 Funds Compared With Actual Share of FY73 Funds

	ACTUAL SHARE FY73			Total
	Chicago Circle	Medical Center	Urbana-Champaign	
BOG				
SEOG	\$ 451,963	\$10,000	\$ 864,958	\$1,326,921
CWS	284,965	18,240	303,189	606,394
NDSL	429,534	28,264	1,160,569	1,618,367
TOTAL	\$1,166,462	\$56,504	\$2,328,716	\$3,551,682
	MAXIMUM SHARE FY74			
BOG	\$1,161,707	\$75,825	\$2,228,000	\$3,465,532
SEOG	253,000	16,000	270,000	539,000
CWS	35,221	2,300	95,000	132,521
NDSL				
TOTAL	\$1,449,928	\$94,125	\$2,593,000	\$4,137,053

Inquiries to the *Faculty Letter* may be directed to the editor, Lucille Turigliatto, 369 Administration Building, Urbana. Telephone 333-1562.

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FACULTY LETTER

FROM THE OFFICE OF THE PRESIDENT · UNIVERSITY OF ILLINOIS

No. 239, September 6, 1973

Evaluation of Administrator Performance

JOHN E. CORBALLY JR., PRESIDENT, UNIVERSITY OF ILLINOIS

During the past year, conversations within the University and elsewhere have indicated that there is increasing concern about the processes for the evaluation of administrative performance in higher education. One outgrowth of the elimination of biennial appointments for a number of administrators in the University of Illinois was the need to review and to revise our evaluation procedures.

I have discussed this matter at some length with the University Senates Conference and at one time during 1972-73 proposed that I would have a position paper prepared on this subject for consideration by the Conference. However, subsequent conversations led me to address the following letter to Professor Peter Yankwich, Chairman of the Conference, on June 8, 1973:

During the past month a number of my conversations with faculty groups have included discussion of the need for new and clear procedures for the regular evaluation of University administrators. While the elimination of biennial appointments has caused some of this concern, there is a general feeling that the *Statutes* do not provide adequate guidance in this area and that the area is one in which University guidelines are needed.

At one time, I indicated to the Senates Conference that I would have a draft proposal for administrator evaluation prepared for appropriate review by faculty groups. Upon reflection, I believe that it would be more appropriate for the Conference to devise a procedure through which such a proposal could be prepared rather than to start with an "administrative document." To use a popular administrative phrase, "I want to make it perfectly clear" that I feel that there are crucial administrative concerns which must be reflected in the evaluation of administrators. I would want whatever group is working on this matter to be aware that sooner or later real, as opposed to *pro forma*, administrative review of the proposal would be in order.

It appears doubtful that I can be in attendance at the Conference meeting on June 26. I would appreciate it if you and the members of the Conference would consider this matter at that time and, if possible, agree upon a procedure to develop a proposal for the evaluation of administrators. Because of general concern about this matter, I believe that when a procedure is developed we should inform the faculty and administrators of the University that the study is under way so that we can avoid what might become duplication of efforts. If it would not be considered undue interference, I

would be interested in reviewing with you the proposed procedure before it is finalized so that I could be aware of proposed timing and of your views concerning administrative input to the process.

Thank you for your assistance in this matter.

On July 2, 1973, I received the following reply from Professor Yankwich:

The University Senates Conference considered your request of June 8, 1973, at its June 26 meeting. The Conference welcomes the opportunity to serve in this initiating capacity.

Evaluation of administrators is important and should take place under an umbrella of policy and of procedural guidelines that is University-wide. Further, such policy and guidelines must be credible as well as applicable to a substantial variety of administrative levels and situations. These considerations and a number of suggestions conveyed in your recent letter and informally have helped the Conference to devise the following procedure:

1. The Conference will appoint a task force or committee on administrator evaluation to work during the 1973-74 University year on preparation of a comprehensive written statement of University-wide policies and procedural guidelines for the evaluation of administrators. (We assume that such evaluations would be regular, not triggered only by the development of crises, and that they would be coupled with a decision-making mechanism and opportunity.)
2. The task force will report to you through the Conference, and the Conference will be responsible for initial review of the report of the task force.
3. While concurring with your interest in having strong faculty participation in this work, the Conference feels it important that a substantial number of task force members be drawn from the several administrative levels of the University. Accordingly, the Conference has selected the following persons to be members of the task force:

Joseph S. Begando, *Chancellor, Medical Center*
George Bugliarello, *Dean, College of Engineering, Chicago Circle*

J. E. Farber, *Professor of Psychology, Chicago Circle*

Richard L. Feltner, *Head, Department of Agricultural Economics, Urbana*

Arnold B. Grobman, *Vice-Chancellor for Academic Affairs, Chicago Circle*

Eldon L. Johnson, *Vice President of the University*

Joseph L. Landin, *Head, Department of Mathematics, Chicago Circle*

Mary M. Lohr, *Dean, College of Nursing, Medical Center*
Barry Munitz, *Vice President of the University*

Alfred Nisinoff, *Head, Department of Biological Chemistry, Medical Center*

Theodore Peterson, *Dean, College of Communications, Urbana*

Sheldon J. Plager, *Professor of Law, Urbana*

Martin P. Schulman, *Professor of Pharmacology, Medical Center*

Morton W. Weir, *Vice-Chancellor for Academic Affairs, Urbana*

We have selected Professor Plager to be Chairman and Vice President Johnson to be Secretary of the Task Force.

Ralph Daniels, Professor of Chemistry, Medical Center, is Chairman of the University Senates Conference for 1973-74, and it would be appropriate for him to issue the invitations to membership on the Task Force.

Unless these arrangements are inconsistent with the views expressed in your recent communications to us, I would appreciate your notifying Professor Daniels so that the invitations can be prepared.

I informed Professor Daniels of my full support of the recommendations of the Conference and on July 9, 1973, Professor Daniels invited the proposed members of the

Study Group on the Evaluation of Administrators to accept this assignment. In his letter of invitation, Professor Daniels on behalf of the Conference asked Professor Sheldon J. Plager (Law, Urbana-Champaign) to serve as chairman of the group and Vice President Eldon Johnson to serve as Secretary.

Because I am aware of various activities under way related to this topic, I indicated to the Conference that I would inform the faculty and staff of the University concerning the Study Group and would ask groups and individuals studying this matter to coordinate their work with the Study Group. While strict guidelines for the work of the Study Group have not been developed, the original thinking was that the administrative positions under consideration would be academic administrators' positions including those at the department, school, college, campus, and University levels.

I believe that this study is important to the University, and I am most appreciative of the willingness of the Study Group members to undertake this task and of the Senates Conference to review the work of the Study Group. The University community will be kept informed of the progress of this work and will be asked for input to the work as the study moves ahead.

Delay in Payment of State Health Insurance Claims

The following statement has been issued by the Campus Insurance Offices in regard to processing of health insurance claims with the Northeastern Life Insurance Company of New York:

A number of complaints have been received by the Campus Insurance Offices of long delays in the processing of health insurance claims under the State of Illinois Group Health Insurance Contract with the Northeastern Life Insurance Company of New York.

The Director of the State Department of Personnel terminated the contract with the Northeastern Life Insurance Company on June 30, 1973, and concurrently terminated the arrangement for the University to process and pay health insurance claims for our faculty and staff under the program. All claims records and pending claims were transferred from the University to the Northeastern Life Insurance Company's claim office in Springfield, Illinois, on June 30, 1973. The insurance company also closed its Chicago claim office and transferred the claim processing responsibility to the Springfield claim office.

The volume of pending claims in the Springfield claim office is so large that some claims now in the office may not be processed for another six to eight weeks. Unfortunately, your Campus Insurance Office cannot expedite the payment of these claims under the State Program even though we know that hospitals and physicians are pressing you for the payment of their bills. We do suggest the following procedure:

1. If you have not filed a claim for medical expenses incurred under the State Plan prior to July 1, 1973, do so as soon as possible. Be certain to send a completed claim form with your bills so that there will be no delay when the claims examiner processes the claim. You should submit the claim to your Campus Insurance Office to have a veri-

fication that you were insured under the program and the Insurance Office will send the claim on to the company's claim office. Expenses incurred *after* June 30, 1973, should be submitted directly to one of the Blue Cross-Blue Shield claim offices listed in the 1973-74 State booklet.

2. If you have a claim pending for expenses incurred prior to June 30 but failed to send in a claim form with the medical bills, send in a completed claim form immediately. If the claims examiner has requested additional information, be sure to respond to the request promptly.
3. If you have assigned the benefit payments of a pending claim to a hospital and/or physician, contact them to warn them of this delay to avoid any impairment of your credit rating. In some cases, the hospitals have requested a small payment on the bill.
4. In most cases your Campus Insurance Office will have a transmittal form and can confirm that a claim has been received and forwarded to the insurance company but they do not have any copies of completed claim forms or bills and cannot determine if your claim has been paid or when it will be processed.
5. If you encounter an urgent problem as a result of this delay, you may send the details of your claim to Mr. Richard Shereda, Department of Personnel, Springfield, Illinois, and request a status report on your claim. This procedure should be limited to only the most serious problems because this procedure will disrupt the claim processing and further delay the payment of claims.
6. If you have your dependents insured under the University's contract with the Continental Assurance Company, there should be no inordinate delay in the processing of the claims. If you have submitted a claim and wish to know its status, contact your Campus Insurance Office and you will receive a reply by return mail.

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FACULTY LETTER

FROM THE OFFICE OF THE PRESIDENT · UNIVERSITY OF ILLINOIS

No. 240, October 4, 1973

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OCT 24 1973

UNIVERSITY OF ILLINOIS
AT URBANA

Restoration of Budget Reductions

STATEMENT BY PRESIDENT JOHN E. CORBALLY JR., TO BOARD OF TRUSTEES, SEPTEMBER 12, 1973

At this meeting, you have before you budget recommendations for both the current year and for 1974-75. I will not repeat the comments I made at our July meeting except to remind you that we are providing legislators with budgetary information in support of the efforts by the General Assembly to override Governor Walker's reduction of about \$4 million in our operating appropriation for 1973-74 and to restore funds for several capital projects in our capital appropriations for the same period.

Some effort has been made to describe our strong support of a restoration as a personal battle between Governor Walker and the University or, more specifically, between the Governor and me. This interpretation is simply not true. The Governor, the General Assembly, and University officials play separate and distinct roles in Illinois government. Both the power of the Governor to reduce or veto appropriations and the power of the General Assembly to restore such reductions or vetoes are specified in our Illinois Constitution. We believe that the General Assembly was right in its appropriations to the University for 1973-74 and we seek—as provided in the Constitution—a reaffirmation by the General Assembly of its position. While the Governor and I disagree on the funding requirements of the University for 1973-74, it is an honest and open disagreement which we have discussed, which we both understand, and in which we each must play the role and meet the responsibilities assigned to us.

An analysis of our financial needs and of the program restraints, which three—and now, perhaps, four—years of State tax support which has failed to recognize our needs have imposed upon us, makes it clear to me that we must enter 1974-75 with a base operating budget approxi-

imating the original appropriations made by the General Assembly for 1973-74. If the Governor's reductions are sustained, we must find other ways to restore that base. As distasteful as it is to me and to you, one way which must be considered is a sharp increase in tuition.

Our philosophical commitment to low tuition is a matter of extensive public record. I do not agree that the financial problems of either public or private higher education should or could be solved by large increases in tuition at public universities. But our greater commitment must be to the University of Illinois and to the maintenance of its distinguished record of high quality people offering high quality programs. The meeting of this commitment requires financial support greater than we have been receiving during the past years of inflation and of the increasing costs of excellence. It is not an alarmist statement, but rather is the truth, that the libraries, the laboratory equipment, the facilities, and, yes, the quality of the appearance of our campuses are slipping—slowly, but surely. We must stop and reverse that trend and to do so requires financial support greater than we have been receiving.

Therefore, later this Fall, I plan to present to you recommendations concerning income sources for 1974-75 based upon a detailed analysis of our financial and program arrears and upon the action of the General Assembly at its October, 1973, session. This analysis will include a study of tuition policy for the future as well as a study of tuition as it relates to the immediate need to restore our budget base. It is within this framework of "unfinished business" that we bring to you for your consideration the budgets for 1973-74 and the budget requests for 1974-75.

The University's 1973-74 Operating Budget

At its September 12 meeting on the Chicago Circle Campus, the Board of Trustees approved an Operating Budget for FY 1973-74 of \$355,091,364, consisting of \$210,322,544 of General Funds appropriated by the State Legislature and \$144,768,820 of restricted and institutional income. The General Funds appropriations included \$183,431,544 from general tax revenues; \$15,000 for Municipal Clerk Training; \$1,058,000 from the Agricultural Premium Fund; and \$24,918,000 from the University's own income (primarily tuition).

The State tax support amounts to 62.2 per cent of the total budget, compared with 50.5 per cent in 1972-73 and 54 per cent in 1970-71. Twenty years ago, the State provided 65 per cent of the total budget from tax revenues.

The increase in the General Funds budget is \$13,344,075, as follows:

Salary and Wage Rate Increases	\$7,586,122
Net Staff Reductions	-2,653,638
Increases in Expense & Equipment	4,768,991
Increase in Retirement System Contribution	3,642,600

Virtually no funds were available for program improvement and expansion except in the health fields. In-

creases totaling \$4,750,000 include \$4,372,495 for expansion of enrollment in the health fields at the Medical Center; \$252,505 for the Urbana School of Basic Medical Sciences; \$132,000 for the College of Veterinary Medicine; and \$375,000 for the Division of Services for Crippled Children.

The salary increase funds provide for the annualization of the increases made in September and November 1972, plus further increases averaging approximately 4.5 per cent. All salary increases are effective with the pay period beginning nearest to September 1, except for employees paid in negotiated or prevailing rates, whose increases are made on a date specified in the various collective bargaining or prevailing rate contracts. Adjustments have been made in the ranges of nonacademic classifications, and new minimum salaries for the academic ranks have been made as follows:

	<u>9-month Service</u>	<u>11-Month Service</u>
Professor	\$14,700	\$14,950
Associate Professor	11,550	14,100
Assistant Professor	9,450	11,550
Instructor	7,350	9,000
Research Associate	6,550	8,000

The University's Request for FY 1974-75 Operating Appropriations

Presented here is the Introduction of the University's Budget Request for Operating Funds for FY 1974-75 as submitted to the Board of Trustees at its September 12 meeting:

INTRODUCTION

Background

Fiscal Year 1975 represents the first year of the initial five-year combined operating and capital budget request under the new Resource Allocation and Management Program (RAMP) adopted by the Illinois Board of Higher Education. The concept behind RAMP is a good one, but the enormous volume of detail, extending to FY 1980, is inconsistent with sound long-range planning. Furthermore, the implementation is most difficult, at least in the beginning, because a year has been omitted from the cycle. To begin the envisioned five-year planning cycle, the IBHE staff and system heads agreed, during a preliminary exploratory session, that a two-year time frame was essential, with the first year being devoted to the synthesis of planning assumptions and objectives (scope and mission) to be discussed and ratified by pertinent constituencies. From a practical standpoint, however, the first implementation (vis., FY 1975) necessitated a compression of two years into one; otherwise, there would have been no procedure to generate a budget request in the first year.

This compression produces a vexing situation. The University is expected to submit a five-year budget plan, while campus personnel and the Board of Trustees are still crystal-

lizing scope and mission—the fundamental underpinning for a sound long-range plan. Furthermore, the IBHE will be unable to review these plans until well into the budget request year.

The final FY 1975 request is basically a continuation budget, with special consideration given to a series of studies which identify deficiencies in the *base* budget created by exigencies of the last few years. Hence, the entire operating budget presentation for FY 1975 is based upon the concept that scope and mission will be in the process of review and that the year is basically one of remaining at a constant size (with the exception of the health-related professions), of reviewing our base deficiencies, and of exploring the future through scope and mission.

It should be noted that the provisional scope and mission statement, submitted separately, calls for a rate of growth of about 950 students a year for the University of Illinois, under the assumptions that medical expansion is adequately funded and that state policy is to maintain a fairly constant enrollment rate. However, no increase in enrollment is contemplated, except in the health-related professions, until the scope and mission report is adopted and adequate progress in correcting deficiencies in the base budget has been made. The enrollment projections until 1980 in the RAMP documents provide only for increases in the health professions.

Based upon the analytical studies, the University's needs for FY 1975 are \$19.7 million or 25.1 per cent of the base budget for FY 1974.

The operating budget request for FY 1975 presented by the President and the University administration to the Board

of Trustees is for \$22,800,200 or 45 per cent of the calculated need. Of this, \$11,952,300 or 6.0 per cent is for continuation, \$3,900,000 or 2.0 per cent is for a programmed restoration of deficiencies over six years, and \$6,947,900 or 3.5 per cent is for the expansion of health-related programs. The total increase is 11.5 per cent.

The \$11,952,300 continuation represents a 6 per cent increase by the State.

The \$3,900,000 programmed base correction represents approximately the amount the governor reduced the FY 1974 budget passed by the General Assembly and recommended by the Illinois Board of Higher Education.

Request for Capital Appropriations for FY 1974-75

President Corbally presented to the Board of Trustees at its September 12 meeting the University's request for capital appropriations for FY 1974-75. This is the agenda item as recommended by him:

The President of the University herewith submits the proposed request for capital appropriations for Fiscal Year 1975.

The request has been prepared by the Vice President for Planning and Allocation, with the advice of the Vice President for Academic Development and Coordination and the University Planning Committee, and after appropriate review by the Chancellors and the President. The request has also been reviewed and endorsed by the University Budget Committee. The submission date required by the Illinois Board of Higher Education (September 4, 1973) has necessitated the submission of preliminary requests prior to approval by the

Board of Trustees. All such transmittals have been identified as "preliminary."

The University's FY 1975 request for capital appropriations reflects three main types of needs: (a) funds to complete and equip buildings under development; (b) funds for the improvement of existing facilities; and (c) new building projects needed to meet the programs of the University. The total requests from State funds are \$45,556,200, exclusive of re-appropriations. It is anticipated that \$44,918,800 can be funded from the Capital Development Bond Fund and \$637,400 from the General Revenue Fund.

The President recommends approval of the budget request for FY 1975 as presented to the Illinois Board of Higher Education and requests authority to submit the request to the appropriate offices of State Government.

Medical Center Employee Leaves Estate to the University

George H. Miller, who worked for the University of Illinois at the Medical Center Campus for forty-eight years, left his entire estate to the University. Proceeds of the estate amount to \$111,702.36 and were entirely savings of Mr. Miller who died August 29, 1972. A native of Chicago, he had graduated from the Worsham College of Mortuary Science when his father brought him at age nineteen to the Medical Center for a job. He was hired to work in the Department of Anatomy taking care of cadavers. At that time the department did its own embalming. Later he became the projectionist for the anatomy classes and during his long career with the Uni-

versity was known to almost every medical student on campus. His competence and reliability won the affection and respect of faculty, staff, and students.

Mr. Miller retired in 1969 but soon was asked to return for a special project. Living an austere life in a basement apartment not too far from the campus, he regularly deposited his earnings and not once, according to his savings passbook, did he make a withdrawal from the account.

Mr. Miller's gift to the University will be used for educational programs at the Medical Center Campus.

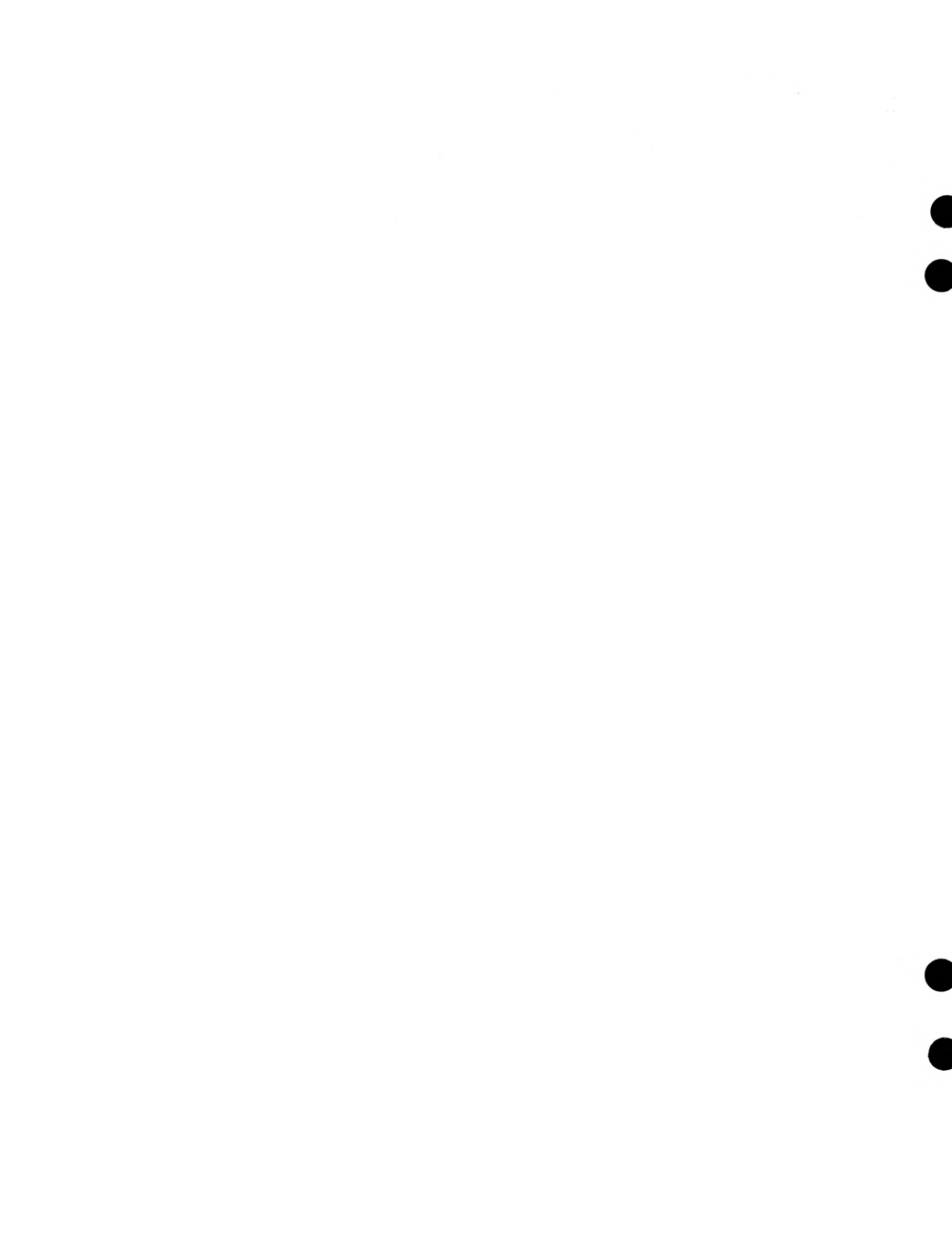
Laurence J. Norton Chair Established at Urbana College of Agriculture

Under terms of the will of the late Aurene T. Norton, the Laurence J. Norton Chair has been established in the College of Agriculture at the Urbana-Champaign Campus in memory of her husband. Professor Norton, who died in 1956, had served on the University faculty for 30 years in the area of agricultural marketing, policy, and finance and also had been head of the Department of Agricultural Economics.

The Laurence J. Norton Chair will be filled on a rotational basis (normally a period of two years or less) by individuals selected from the ranks of universities

(outside the University of Illinois), governmental agencies, or industrial firms for the purpose of improving the quality of the program in agricultural marketing. The Chair will be administered by the Dean of the College of Agriculture and the head of the Department of Agricultural Economics.

Inquiries to the *Faculty Letter* may be directed to the editor, Lucille Turigliatto, 272c Administration Building, Urbana. Telephone 333-6502.



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No. 241, October 11, 1973

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UNIVERSITY OF ILLINOIS
AT URBANA-CHAMPAIGN

Organization for Continuing Education and Public Service

OFFICE OF VICE PRESIDENT FOR GOVERNMENTAL RELATIONS AND PUBLIC SERVICE

Introduction by President John E. Corbally Jr.

When I arrived at the University of Illinois in April, 1971, as President-Designate, I was provided with a great deal of reading material concerning ongoing projects. One such paper was a report written by Vice President Eldon Johnson dealing with the topic of the public service responsibilities of the University and the structure of the University to meet those responsibilities.

During my two years on active duty here, this topic has assumed new importance. The leadership of the Board of Higher Education, for example, is increasingly anxious to substitute the concept of "people served" for the usual count of "FTE students" when the subject of the real work load of higher education is discussed. There are always those who would assign "franchise areas" to each public university campus in Illinois — an assignment which violates the traditional role of the University of Illinois and an assignment which we cannot accept. There is increasing interest on the part of municipal and state governmental agencies for new and meaningful relationships between those agencies and the resources of higher education. And the whole subject of "non-traditional, innovative, modern . . . etc. methods of educational delivery" is a subject with which we must come to grips even as we strive to define its meanings.

Along with the recognition of the increasing importance of public service, extension, and continuing education to the University have gone our efforts to structure the University to provide as much "local option" to the campuses as is consistent with our existence as a single University of Illinois. We — and particularly Vice President Johnson and Dr. Stanley Robinson — have devoted major attention to the development of a plan to revitalize the campus commitment to public service, to restructure our public service activities to insure that we can detect and respond to public service needs in Illinois, and to build upon the distinguished record of public service activities which has characterized the University. The following statement by Vice President Johnson provides a description of that plan. Making the plan work is a critical responsibility of all of us and many aspects of our future are dependent upon our ability to do so. I com-

mend this report to your attention and seek your assistance as we attempt to expand our commitment to this part of our three-part mission — teaching, research, and public service.

ORGANIZATION FOR CONTINUING EDUCATION AND PUBLIC SERVICE

Substantial changes in the University's approach to its off-campus or outreach responsibilities have been in the making in the academic year 1972-73, with important antecedents running back to 1968. The culminating organization, both at the campus and University-wide levels, is herein described pursuant to the progress report made to the Board of Trustees in March, 1973, and as a matter of information for the general University community.

In keeping with its organization as a single University system of three campuses, the public service function is organized into four components:

1. that which is University-wide
2. that relating to each of the three campuses.

The functional and organizational characteristics are:

University-wide: system-wide staff services, including policy-setting, evaluation, and coordination, and the operation of (a) a statewide network of field representatives and (b) those continuing education functions which are most general and autonomous, and least dependent on campus personnel for "delivery" (specifically, the following units from the former Division of University Extension, now comprising the new University Continuing Education: Police Training Institute, Firemanship Training, Civil Defense Training, Correspondence Courses, and Visual Aids Service).

Campus: operation of continuing education programs to which the regular teaching personnel of the campus make a major contribution, such as the Extramural Classes and Conferences units from the former Division of University Extension, and provision of such off-campus services as flow from the "mission" of that campus, including the traditional

land-grant functions of the Cooperative Extension Service on the Urbana Campus.

Each component is briefly described below.

UNIVERSITY-WIDE

Reporting directly to the President of the University, the University-wide organization has these major components:

1. Vice President for Governmental Relations and Public Service, who exercises coordinative powers and aids the President in a staff capacity regarding public service.
2. University Coordinator of Continuing Education, who a. directs University Continuing Education, a unit of 127 employees who administer the five programs named above b. assists the Vice President in facilitating the continuing education function as performed throughout the University.
3. Associate Vice President for Public Service, who in addition to serving as Director, Cooperative Extension Service, Urbana Campus. a. directs the University field network, utilizing the structure of the ten existing regions of the Cooperative Extension Service b. assists the Vice President in facilitating those public service functions relating to personnel resident in the field.

Field Network

Besides exercising a coordinative function, the University-wide officers also operate the field network, which serves as a bridge between public needs and University capacity "to deliver" on such needs. That network consists of special University personnel serving as "brokers" in the field, or linkage mechanisms, or the University's "eyes and ears," based on the ten regions of the state which are used by the Cooperative Extension Service. Such personnel work with individuals, groups, and other educational institutions in identifying needs and in matching them with appropriate University knowledge and programs. Present personnel in the network under the Associate Vice President for Public Service are

- a. the ten Regional Coordinators, who tie together all University outreach personnel in each region, attempt to sharpen the University's focus and impact in the area, and link the resources of the Cooperative Extension Service to all other University effort in the field (e.g., the services of the Community Resource Development officers)
- b. six Regional Program Directors (one intended for each region but with three Directors now serving more than one region simultaneously), who represent continuing education in particular but assist in all field-service linkages
- c. an overall Program Director, residing at the University-wide headquarters, who works with all field personnel, and Regional Program Directors particularly,

and facilitates communication and planning relationships with campus personnel.

This structure is designed to produce a mutually supportive and reinforcing effect between the Cooperative Extension Service, with its historical presence in all areas of the state, and all other aspects of public service, including continuing education in the professions and for leisure time, service to the cities (see section below on special coordinative mechanism in the Chicago area), independent off-campus study, and the application of knowledge to problem-solving, both statewide and nationally. It does this, in part, by

- a. having the Director of the Cooperative Extension Service serve *also* as Associate Vice President for Public Service
- b. making the Cooperative Extension Service Regional Directors *also* Regional Coordinators for University-wide public service purposes in each region (except in the Chicago area as described below)
- c. tying all other public service field relations (and specifically all of the non-agricultural type) into this revised but previously existing regional coverage of the state
- d. facilitating the work of the Vice President for Governmental Relations and Public Service in coordinating the application of University educational resources to public service activities.

Regional Coordination in Chicago Area

Region II, comprising the northeastern portion of the state, including Chicago, presents many special problems not found in other regions:

- a. two University of Illinois campuses are located in Chicago
- b. the Chicago Circle Campus has a special mission to serve the Chicago area and to meet the urban problems there
- c. the concentrated population makes atypical demands on the Cooperative Extension Service
- d. the out-of-Chicago portion of the University of Illinois (the Urbana Campus) also has special need for outreach activities in the most populous part of the state.

Therefore, the Director of Extension, Chicago Circle Campus, has been designated as Regional Coordinator for Region II, *in addition* to his campus role, which means that he also serves in a University-wide capacity and, for that purpose, reports to the Associate Vice President for Public Service, like all other Regional Coordinators. A Program Coordinating Committee, chaired by the Regional Coordinator and consisting of representatives from each campus and of the other interested parties, will assess regional needs and coordinate the University responses. This arrangement, recognizing both the special geographical mission of Chicago Circle and the disciplinary mission of the other campuses, is understood to be subject to later evaluation in terms of its capacity to maximize the total University of Illinois impact in Region II.

University Council on Public Service

To provide overall and intercampus coordination and policy recommendations, to exchange information, and to facilitate program planning, a University Council on Public Service, under the chairmanship of the Vice President for Governmental Relations and Public Service, brings together the chief officers with continuing education and public service responsibilities, both at the University and campus levels, plus the Vice President for Academic Development and Coordination and the Executive Director of the Alumni Association.

CAMPUSES

Urbana-Champaign Campus

Effective July 1, 1973, the Office of Continuing Education and Public Service has overall responsibility for continuing education, extension, and public service for the Urbana Campus. The Director of that office, as an Associate Vice Chancellor for Academic Affairs, helps to relate continuing education and public service more closely to resident instruction and research. He is a member of the University Council on Public Service and is chairman of a campus Council on Continuing Education and Public Service, composed of persons from the various colleges and institutes. This arrangement is designed to help coordinate activities at University, campus, and college levels. The persons to provide liaison between campus and each of the colleges and institutes are now being designated.

The Office of Continuing Education and Public Service contains some of the departments that were part of the former Division of University Extension, including extramural classes, conferences and institutes, and extension programs in international affairs, art, music, and engineering.

The Urbana Campus Senate has a standing committee on Continuing Education and Public Service, composed of faculty members, students, and administrators. It focuses attention on faculty awareness and policy issues regarding continuing education and public service as a University function.

Chicago Circle Campus

That part of the former Division of University Extension which drew heavily on the Chicago Circle Campus faculty for its "delivery" off campus is now part of the organization of that campus. The transferred parts are those portions of the former Extramural Classes and Short Courses and Conferences which were Circle-based.

The new campus unit, effective July 1, 1973, is the Office of Extension, headed by a Director, who reports to the Vice Chancellor for Academic Affairs. The Director is also Regional Coordinator of continuing education and public service in University Region II, the nine counties of Northeastern Illinois, and a member of the University Council on Public Service.

At the college level, each college has named an official (e.g., an Assistant or Associate Dean) to be the liaison officer or contact point for relations between "extension" and the college. Representatives of a few non-college outreach-oriented units are also included. These taken together comprise the Council on Extension and Public Service, which works closely with the Director of Extension in program planning and staffing. While all colleges have such relationships, some, like the College of Urban Sciences, have close and continuous relations because of a strong public service commitment.

At the faculty level, the Chicago Circle Senate has a standing Committee on Continuing Education and Public Service, which contributes to faculty awareness and involvement in the public service function.

Medical Center Campus

While continuing education for professionals and health service delivery are functions of rising priority, they are so built in to all other aspects of the Medical Center Campus that the public service organization is bound to be affected. It is less "separated out" and more "built in," but it is nonetheless there.

The overall responsibility, under the Chancellor, rests with the Vice Chancellor, whose duties extend to many other areas, as well, including the academic. He is also a member of the University Council on Public Service.

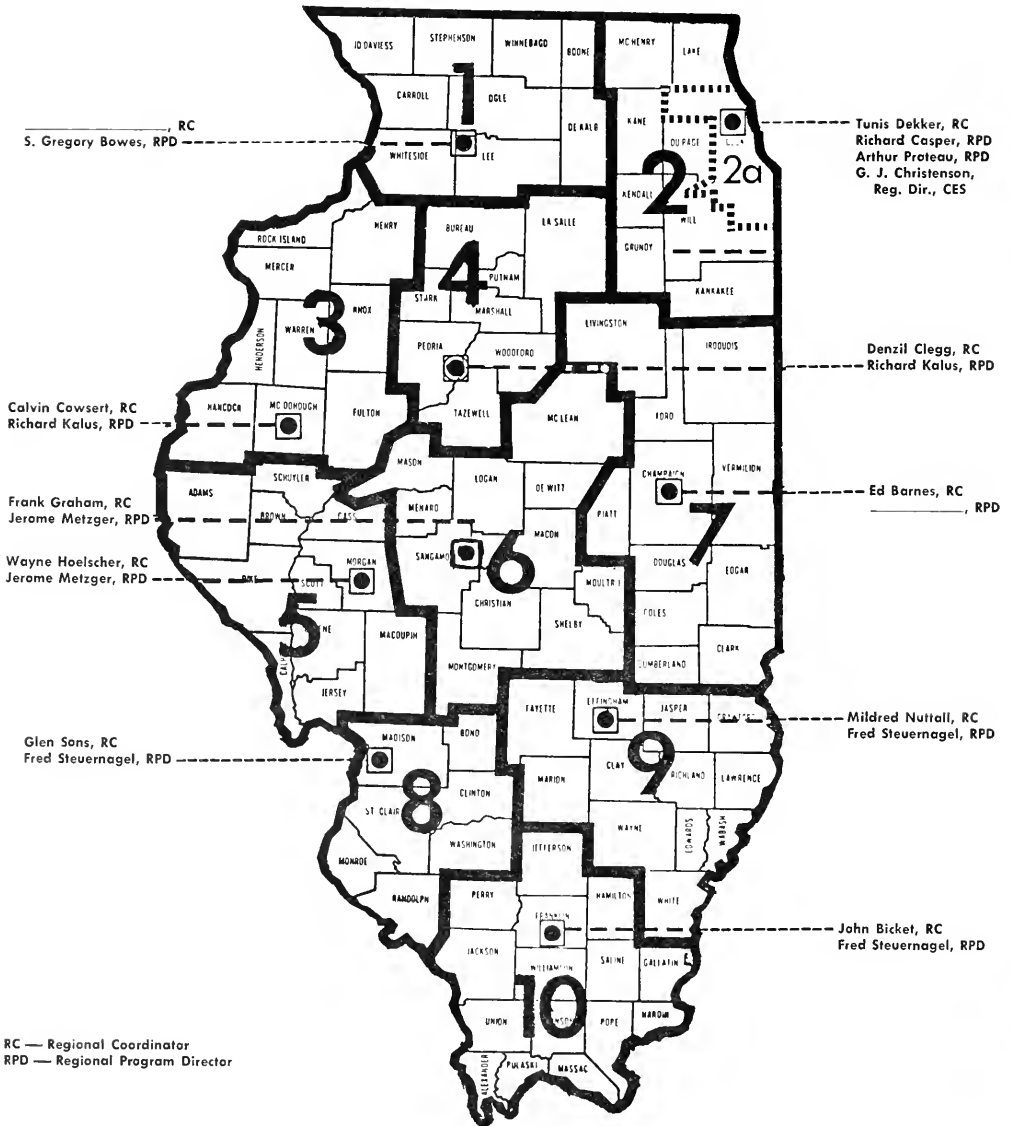
In each college and school, an Assistant or Associate Dean is being identified to coordinate the educational units and activities concerned with continuing education and public service. Including these officers, plus representation from the Center for Educational Development, a campus-wide coordinating council is in process of formation.

A new factor is also being integrated into the campus policy and structure: the Area Health Education System program, funded by a generous grant from the Federal Government. One of the purposes of that grant is to improve the education of the health professionals, thereby improving health service delivery. The director of the Area Health Education System is the Dean of the School of Associated Medical Sciences, who has continuing-education representatives in Rockford, Peoria, and Urbana, where medical education is now also offered.

Another piece of the public service structure is the Center for Educational Development, College of Medicine, which has initiated experimentation on statewide continuing education for practitioners in the health fields, particularly by linking the Chicago resources with facilities in Peoria and Rockford and by developing the teaching faculties there.

Inquiries to the *Faculty Letter* may be directed to the editor, Lucille Turigliatto, 272c Administration Building, Urbana. Telephone 333-6502.

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No. 242, November 12, 1973

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UNIVERSITY OF ILLINOIS
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State of Illinois Group Health Insurance Claim Information Requested

The number of complaints on the slow claims processing of the State of Illinois Group Health Insurance Program has been increasing significantly. Of particular concern are the claims for services prior to July 1, 1973, under the Northeastern Life Insurance Company contract. Many members of the faculty and staff are being pressured and harassed by hospitals, doctors, and collection agencies demanding payment of medical expenses covered by the State Plan. In some cases, law suits have been threatened.

The University *does not process* these claims. The State Department of Personnel terminated the agreement for the University's administration of the program on July 1, 1973, and all files and records were transferred to the insurance company. Under these circumstances we have

been forced to refer individuals with complaints to the State Department of Personnel and the Northeastern Life Insurance Company. This has not proved to be a satisfactory procedure and many complaints have gone unanswered.

Since individual efforts have not been successful, it is proposed that information on all of the pending claims be gathered and presented to the Director of the Department of Personnel and to other State officials to secure payment of the claims from the Northeastern Life Insurance Company or a status report on each claim.

To help you and to help us in this effort, please complete the following form and mail it promptly to your campus insurance office.

JOHN E. CORBALLY JR.
President

EMPLOYEE HEALTH INSURANCE CLAIMS ONLY

Name _____ Social Security _____

Mailing Address _____

Type of Service	Name of Hospital or M.D.	Date of Service	Approximate Expense
Hospital	_____	_____	_____
M.D. or Surgeon	_____	_____	_____
Prescription Drugs or Medical Expense	_____	_____	_____
	_____	_____	_____

Retirement Credit for Military Service

The following letter was sent October 23, 1973, by Edward S. Gibala, Executive Director of the State Universities Retirement System, to the Presidents and Heads of Universities, Colleges, and Other Agencies covered by the State Universities Retirement System:

**RE: Senate Bill 634 — Purchase of Credit
for Prior Military Service**

During the past several months, we have kept you and the Business and Personnel Officers informed of the current status of Senate Bill 634 which covers the purchase of additional credit for military service which was rendered before the participant became a member of the State Universities Retirement System. Following is a very brief summary of the action which has been taken on this Bill to date:

1. The Bill, as initially introduced, would have prohibited the State Universities Retirement System from accepting any payments covering prior military service after September 1, 1973, the effective date of the Bill.
2. The Senate adopted an amendment to the Bill which made the change applicable only to persons *hired* after September 1, 1973. That amendment also eliminated credit for other types of public employment for those persons *hired* after that date. However, the Senate amendment *preserved the right of current employees* to pay for prior military service as well as other types of public employment. The Bill, as amended, passed the Senate.
3. An additional amendment to the Bill by the House provided that an employee *who was hired before September 1, 1973* could purchase credit for prior military service only if he (a) was *eligible* to purchase credit for prior military service on that date, and (b) he had *applied* for purchase of such credit by that date. (Note that the House amendment provided that the participant must have *applied* for the military service credit by September 1, 1973; it did not require that he make his payment prior to that date.) The House passed the Bill as amended.

4. Instead of sending the Bill to the Senate floor for concurrence in the House amendment, the Senate sponsor, at the suggestion of some members of the Pension Laws Commission, sent the Bill back to the Senate Pension Committee. The Bill is still alive and in the Senate Committee at this time.
5. The Pension Laws Commission considered the Bill at a meeting which was held on October 11, 1973, and agreed to recommend approval of Senate Bill 634, as amended by the House, *subject to extension of the deadline on filing to January 1, 1974.*

At this time, we can only speculate on the final outcome of Senate Bill 634. However, we believe that the Conference Committee will accept the recommendation of the Pension Laws Commission that the deadline on *filing* of the Application for Prior Military Service be extended to *January 1, 1974.*

We need your help in spreading the word concerning the proposed January 1, 1974 deadline on filing. Hundreds of participants failed to meet the proposed September 1, 1973 deadline on filing despite the unusual amount of publicity which was given to this Bill in special releases from the Retirement System Office and campus periodicals. We hope that you will bring the proposed *January 1, 1974* filing deadline to the attention of your faculty and staff at meetings and in campus periodicals which you may distribute prior to January 1, 1974.

We wish to emphasize again that the Bill would require that the participant file his Application for Prior Military Service Credit before January 1, 1974; *it would not require that he pay for the service by that date.*

Inquiries to the *Faculty Letter* may be directed to the editor, Lucille Turigliatto, 272c Administration Building, Urbana. Telephone 333-6502.

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FACULTY LETTER

FROM THE OFFICE OF THE PRESIDENT · UNIVERSITY OF ILLINOIS

DEC 17 1973 No. 243, December 12, 1973

UNIVERSITY OF ILLINOIS
AT URBANA

President's Report on Tuition Policy and Tuition for 1974-75

President John E. Corbally Jr. on November 14 sent the following report on tuition policy and tuition for 1974-75 to the members of the Board of Trustees:

Discussions concerning tuition policies and tuition levels have reached a new peak of volume during the past year. This phenomenon is by no means only a local happening, but is a matter of national concern. Both the public press and professional journals contain an increasing number of tuition proposals, counter proposals, and rebuttals to both. There are only two tuition positions which are based on sound, understandable, philosophical positions. The first is that there should be no tuition charges levied in public higher education. The other is that students in public higher education should pay tuition equal to the full costs of their instruction. All in-between positions are compromises which are based upon practical and judgmental considerations rather than upon any real philosophical framework. Unfortunately, many tuition discussions today represent efforts to construct a philosophical base for compromise positions for which no such base exists. These discussions are interesting, but cloud the current basic issues which are practical, financial resource issues.

For us, the time has come when tuition policy in general and specific tuition rates for 1974-75 must be determined. I had hoped that the position of the Illinois Board of Higher Education concerning tuition policy for public higher education in Illinois would have been determined by this time, but no such determination will be made until at least December 4, 1973. I believe that it is incumbent upon us to provide our students with information concerning changes in tuition as early as possible before changes are made. I also believe that to the extent possible our policy should reflect BHE suggestions.

In an effort to meet the requirements of both of those beliefs, I am recommending that the Board of Trustees of the University of Illinois adopt a provisional position on tuition for 1974-75 at the November 21 meeting with the understanding that this position will be reviewed and made final following action of the BHE in December on tuition policy. The adoption of a provisional position will provide our students with an understanding of probable tuition levels for 1974-75 while at same time not foreclosing change if the provisional position should vary greatly from BHE suggestions.

The current position of the BHE is that tuitions in public universities in Illinois should approximate one-third of undergraduate instructional costs. As stated above, there is no real support in theory or in philosophy for such a position. In my view, the theory and philosophy of public higher education support the concept that no tuition should be charged those who attend public universities. This concept, however, has eroded over the years under the pressures of financial needs

and the inability and/or unwillingness of society to provide financial support to meet those needs. Tuition at public universities is, thus, a concept which has been born of necessity rather than of theory. What we are discussing is a means of providing some portion of the financial support requirement of a public university through a price charged the students.

At the present time, tuition charges at the University of Illinois are \$495 per year for full-time students who are residents of the State of Illinois except for students in Dentistry (\$261 per quarter) or in Medicine (\$294 per quarter). For non-residents, these charges are \$1485 except in Dentistry (\$591 per quarter) and in Medicine (\$624 per quarter). These tuition levels equal something less than 30 percent of undergraduate instructional costs. This tuition level was established for 1972-73 in an effort to achieve the BHE standard. However, at that time, the BHE cost data were for 1970-71 so that the tuition assessed did not actually achieve the standard in spite of this Board's intent to do so.

Two facts must be clear as we review the financial resources of the University. First, the resources available to the University are not keeping pace with the costs of inflation. Second, increases in State tax support of higher education will not, in and of themselves, keep pace with the increased need for resources. I will not review here the financial picture with which you are all familiar. We are losing ground in meeting the costs of quality. We can either revise downward our goals for the University of Illinois or find resources to permit us to meet those goals. I believe that we must choose the latter course. One financial resource is tuition income. As reluctant as we are to consider increasing tuition charges on the basis of our theory and philosophy of public higher education, that reluctance must give way to reality.

The budget requests for the University for 1974-75 envisioned the need for \$7 million to continue the health professions expansion program and \$11.7 million (6 percent of the 1973-74 base of \$196 million) to meet current salary and price increase needs. In addition, budgetary deficiencies accumulated over the past several years in the amount of \$30.9 million were detailed and the need for some funds to begin dealing with those deficiencies was stressed. It was hoped that the restoration of \$4.1 million reduced from our 1973-74 appropriation would provide funds to begin reducing deficiencies, but that hope was not realized.

It now seems clear that realistic expectations for increased State tax support in 1974-75 should include a 6 percent increase in the tax portion of our appropriations (\$171 million) plus the \$7 million for health professions expansion. In order to realize a 6 percent increase over our total appropriations (tax or general revenue plus income fund or tuition), we shall

have to impose a 6 percent increase in tuition or \$30 per year for all except tuition for Medicine and Dentistry students to which a 6 percent increase will also be applied. No tax sources seem available to even begin to deal with our accumulated budget deficiencies—deficiencies with which we must begin to deal. As you know, to restore the \$4.1 million to our base would require an additional tuition increase of \$90 per year. Many believe that this restoration is so essential that that additional tuition should be levied. I find this argument persuasive.

Based upon our budget requests for 1974-75, average undergraduate instructional costs, exclusive of the health professions for 1974-75, will be \$2048.16. If tuition for 1974-75 were to be assessed at the suggested level of one-third of undergraduate instructional costs, the charge would be \$682 or an increase of \$186 over current tuition. In spite of the fact that current BHE policy would support such an increase, an increase of that magnitude seems inappropriate.

It is difficult to determine what increase is appropriate, but a rationale can be developed in support of adding \$60 per year to the \$30 per year mentioned above. Our costs have been increasing due to inflation by at least 6 percent per year. The "price" we charge students through tuition has remained the same last year and this year in the hope that the State would provide sufficient additional tax support to meet the inflationary pressures upon both salary and other costs. The State has not done so with resulting budgetary deficiencies for the University. It seems clear that the State is operating on a "tuition as price" concept and that tuition in the future will need to reflect inflationary pressures. These pressures during the last two years would have resulted in annual increases in tuition of about \$30 per year and one can argue that we must now at least restore our tuition level for 1974-75 to the 1972-73 level by adding the cost of inflation which has occurred during this year and last.

This decision would provide approximately \$2.75 million in 1974-75 to begin to deal with budgetary deficiencies. Obviously some continuing reallocation to attempt to provide another \$1.35 million for this purpose would be necessary. It is clear, however, that five years of reallocation have left us with little room to create major sources of funds through this method. This total increase of \$90 per year in tuition would still leave the level of tuition about \$100 below the "one-third" standard in 1974-75. After reviewing all alternatives, I find myself in support of an increase in the amount of \$90 per year and it is this increase which I recommend.

Revision of General Rules Re Disability by Reason of Pregnancy

The Board of Trustees meeting on the Medical Center Campus November 21 approved the revision of Section 29 (c) of *The General Rules Concerning University Organization and Procedure* in regard to disability of academic or administrative staff by reason of pregnancy. This was President Corbally's recommendation for the revision:

By administrative practice, pregnancy and the need to have maternity leave have generally been construed to be a condition of "disability" under Section 29 (c) (2) of *The General Rules Concerning University Organization and Procedure*. Applications for maternity leave were thus governed by the same approval procedures and rules as other forms of disability.

In order to make explicit this construction of these provisions and to assure consistent, University-wide policy in this

It is further recommended that the same percentage increases be applied to tuition in Dentistry and Medicine which would result in increases of \$47 per quarter in Dentistry and \$53 per quarter in Medicine. Non-resident tuition would also be increased proportionately to \$1752 per academic year except for Dentistry (\$697 per quarter) and Medicine (\$736 per quarter).

The proposed tuition charges are well within the award ceiling of the Illinois State Scholarship Commission and students eligible for awards would not be penalized by these increases. However, a special problem exists at the Chicago Circle Campus in which entering students have not appeared to avail themselves of ISSC aid for which they are eligible. The Planning Committee recommends that tuition levels for freshmen students at Chicago Circle remain at the 1973-74 level while efforts are made to overcome this apparent communication problem, and the Chancellors and I concur with this recommendation.

It is understood that tuition levels for less than full-time students will reflect these increases so as to continue the same relationship as now exists between tuition for full-time and part-time students.

In summary, then, I recommend that the Board of Trustees adopt the following position with regard to tuition policy and tuition levels for Fiscal 1975:

1. The Board of Trustees of the University of Illinois reaffirms its support of the budget requests submitted by the Board to the Illinois Board of Higher Education for 1974-75;
2. The Board of Trustees of the University of Illinois expresses its strong feeling that the financial needs of the University for 1974-75 can and should be met through State appropriations without increases in tuition for 1974-75;
3. If deemed necessary in the light of recommendations of the Board of Higher Education concerning 1974-75 budget levels and concerning 1974-75 tuition levels, the Board of Trustees of the University of Illinois expresses its intention to support the financial needs of the University by adopting tuition levels up to those tuition levels outlined above. In thus expressing itself, the Board is alerting all those concerned that such tuition levels may be required for 1974-75 and is suggesting that the financial planning of students include consideration of this possibility.

The Board of Trustees at its November 21 meeting adopted the President's recommendations as outlined in the report.

In regard, I recommend that the following sentence be added to Section 29 (c) (2):*

For the purposes of this subsection (2), disability includes cases in which the staff member is disabled from performance of duty by reason of pregnancy.

In accordance with procedures specified in the University *Statutes*, I have consulted the University Senates Conference in connection with this matter.

* Analogous provisions specifically relating to nonacademic employees already exist in *University of Illinois Policy and Rules — Nonacademic*.

Inquiries to the *Faculty Letter* may be directed to the editor, Lucille Turigliatto, 272c Administration Building, Urbana. Telephone 333-6502.

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FACULTY LETTER

FROM THE OFFICE OF THE PRESIDENT · UNIVERSITY OF ILLINOIS

No. 244, March 13, 1974

President's Memo on Office of Academic Development and Coordination

The following memorandum was sent January 2 to the members of the Board of Trustees by President John E. Corbally Jr., regarding the Office of Academic Development and Coordination:

On July 9, 1973, I mailed to the Board of Trustees a status report concerning the Office of Academic Development and Coordination. I indicated that in my April, 1972, statement on Administrative Functions and Organization, the Office of Academic Development and Coordination was described as follows:

As an interim step while the operation of the Office of University Planning and Resource Allocation gets started and while the flow of academic decision making and academic coordination within the University is analyzed, it is proposed that an Office of Academic Development and Coordination be established with the responsibility for the second set of functions listed above. (See below.) The chief executive officer of this Office will be designated as the Vice President for Academic Development and Coordination.

I further emphasized that the whole area of the administration of academic affairs was under study and that recommendations would be brought to the Board early in 1974, following consultation with University staff. This memorandum presents an outline of those recommendations, which have been discussed with and are supported by the University Senates Conference.

My April, 1972, statement identified three basic functions for the Office of Academic Development and Coordination:

The development of relationships both within Illinois and the nation and the world to insure that the University of Illinois plays its appropriate role as a member of the larger education community.

The coordination of the operation of the various components of the University to insure that the University functions as an organic university rather than as an aggregate of unrelated campuses and capitalizes upon the advantages of its resources as a system.

The administration of Universitywide educational programs.

Four units report directly to the Vice President (Survey Research Laboratory, Institute of Government and Public

Affairs, Office of School and College Relations, University Press) and he chairs the University Academic Council and other councils coordinating Computer-Based Education, Urban Programs, Environmental Studies, Equal Opportunity, Graduate Education and Research, Health Affairs, and Libraries. The Administrative Guidelines assign to the Vice President responsibilities for a portion of the planning and evaluation processes, for the Universitywide review of academic programs and policies (including new degrees, majors, curriculum revisions), for the appointment of University representatives to commissions and agencies, and (as the delegate of the President) for the approval of academic administrative appointments, faculty promotions, salary increases, and other academic personnel matters. In addition to general responsibilities for recommending University academic program fiscal requirements and priorities, the Vice President serves as the system's Program Officer in all relationships with the Illinois Board of Higher Education, and he is the University Equal Opportunity Officer.

During the first year of the "post-Provost" organization, academic functions at the general University level have been carried out according to what one might call maximum decentralization. This principle was in keeping with the effort to increase the operating role of the campus administration and the coordinating role of the central administration. It is clear, however, that the issue of the nature and intensity of the involvement of a University-level academic officer at both the University and campus levels must be pursued further.

Faced now with the formulation of recommendations addressed to this issue, three points require emphasis:

1. No one supports the elimination of a major involvement with academic concerns from the central University administration—in fact, there is general faculty and administrative support for a strengthening of such involvement.

2. The prevailing opinion is that insufficient time has elapsed to permit the current organization to undergo any meaningful evaluation.

3. There is a need for reaffirmation of our commitment to the development of Universitywide programmatic and support systems where such arrangements constitute the most effective response of the University to the requirements of its mission.

These three observations represent a part of what we have learned this past year, and point the way to the next steps I am recommending. This statement will stipulate the

basic objectives of the Office of Academic Development and Coordination, and will describe the outcomes that will be observed in order to determine whether or not those purposes have been served. An evaluation of this or any office cannot be undertaken until evaluative criteria have been established, and sufficient time has elapsed since the statement of the criteria to permit a review of results. A valid context for evaluation must be built, while at the same time the quality of the University's academic functions is maintained.

Success in meeting these functions will rest upon the quality of three activities based in the system's academic office — development, coordination, and evaluation.

DEVELOPMENT. Academic planning at a multi-campus university involves a sensitive layering of innovation and stimulation. Board of Trustee action at its July, 1973, meeting established the Office of Policy Analysis and Evaluation to aid the Academic Vice President in the analysis of long-range program issues and to serve as a link to the Planning and Allocation Vice President's analytical staff. The implementation of this office will require considerable attention during the next two years.

The determination of University priorities and resource requirements for new programs is the other major task within the development function. The Vice President is charged this year with completion and initial implementation of the program sections of the University's "Scope and Mission" document tied to monthly meetings with the planning officers of the campuses. This responsibility includes the identification of program areas that fall within the mission of one, two, or all three campuses, and the establishment of guidelines for the development of new programs within these areas. Successful planning will rest, in part, upon the relationship between internal allocation procedures and the determination of program priorities; therefore, the system office will participate in the development, administration, and evaluation of major new programs in a way that will increase the probability of achieving the required new program support.

COORDINATION. There is an extremely delicate balance between preserving campus initiatives in academic administration and facilitating the most efficient and effective use of the University's academic resources. We have not come close to maximizing the educational opportunities available to us through multi-campus academic programs and support services. We plan to continue a series of vigorous explorative discussions concerning shared resources and the elimination of nonproductive duplication. A major long-run goal of the system's Academic Vice President will be to encourage each of the campuses to view the quality of the other campuses as intimately related to its own welfare.

There are a variety of interpretations one can derive from the "organic University" concept as it applies to academic functions. During the next few years good sense dictates a concentration upon a limited number of testing models to gauge the opportunities and problems confronting systemwide academic coordination:

Joint Degrees — Both the Chicago campuses and the Board of Higher Education have been enthusiastic about the development of a joint Ph.D. degree in Bioengineering. Built upon the complementary strengths in the field at Chicago Circle and the Medical Center and

administered by a faculty committee appointed by the Vice President, this program will be studied carefully to determine whether it provides applicable lessons for other disciplines.

University Councils — A series of councils chaired by the Vice President advises the President on program matters affecting more than one campus. They help to define Universitywide needs, exchange disciplinary information, and undertake ad hoc assignments addressed to the sharing of resources. The University Council on Environmental Studies has been particularly effective in this endeavor, in large measure because it achieves leveraged coordination through Trustee authority to assist the Vice President in reviewing program priorities and resource requirements.

Balancing Emphases — There are several fields where a greater need exists to orient campus programs toward unique strengths and settings. A number of the applied social sciences, architecture, and urban planning are within this group, and at least one of these should receive major staff attention to facilitate campus development if resources permit.

Two-Campus Programs — For the past several months campus and University officers have been exchanging views on the organization of the Jane Addams School of Social Work. A new joint doctoral degree, new B.S.W. programs at both campuses, and increased demand upon school resources have forced a reexamination of current patterns in social work at the University, and the resolution of this issue will be watched as a model for other programs presently or potentially split between two or more campuses.

Program Expansion — As chairman of the University Council on Health Affairs, and as the system officer responsible to the President for coordinating academic planning in the health professions, the Vice President will continue to play an important role in the long-range implementation of the University's health programs. As in each of the categories within the coordination function, there are other fundamental requirements for system attention in this area (several major professional fields, for example), but manpower and energy constraints mandate a focus upon a limited number of programs.

Universitywide Degrees — There has been considerable discussion over the past year about the development of quality programs at the University level. This exchange includes the suggestion to expand degree-granting authority in certain departments from campus to University status under limited and carefully controlled conditions, in addition to the recommendation for new Universitywide degrees in areas such as Human Ecology, or Urban Politics and Policy Analysis. The Office of Academic Development and Coordination will explore these issues with constant attention to faculty-defined quality standards and an emphasis upon complementary use of academic strengths.

Supporting Services — The Office of Academic Development and Coordination plans a major effort in the development of one or two University facilitative mechanisms for improving the support of academic functions. Research-Instruction computing and library facilities have been identified by the University Planning

Committee for exploration to determine whether present capacities can be strengthened in order to provide better services to faculty at all three campuses.

It is all too easy to point out obstacles challenging each of these academic coordination activities. No multi-campus university has met very many of them successfully—"initiative" must be present, but "autonomy" must be preserved; interests must be protected, but trust must prevail; staff is required, but people intrude; authority must exist, but its exercise must be cautious; resources must be available, but there are pressing campus needs. There is a call for wisdom, experience, respect, and influence at the system academic level, but a constant concern that the office not be too active or visible. These ironies will never disappear, and the paradoxes upon which they rest are in the very fiber of a high-quality complex university. We do plan to invest time, money, and manpower resources to coordinate the multi-campus nature of this institution, and with the present quality of our campus, college, and departmental administrators the probability of success in responding to the challenges above is higher than one would find at most universities.

EVALUATION. Very few of the difficulties noted in the last section do not apply as well to the evaluation function, and the necessity to undertake this activity is just as great. There are many aspects to the evaluation function, which I have called elsewhere one of the three major responsibilities of the University's central administration along with planning and allocation. The Office of Academic Development and Coordination has responsibility for several of these aspects, primarily related to academic programs. As a member of the task force to study the evaluation of academic administrators, the Vice President will participate in the recommendation of guidelines for interpreting or revising *University Statutes*. As a personal recipient of a grant from the Fund for the Improvement of Post-Secondary Education, he will be analyzing the criteria and procedures for evaluating the performance of university chief executives; as an institutional recipient of a National Science Foundation grant, he is studying the organization and administration of the University's federally supported research activities.

The Academic Vice President's primary concern, however, relates to the Scope and Mission discussion of the evaluation of proposed and existing programs. Each of the campuses has begun to assess systematically the quality of its academic programs, and at Urbana those interests have reached a level of sophistication unmatched at most institutions. The Vice President, assisted by the Office of Policy Analysis and Evaluation, will discuss with each campus its mechanism for program review, its set of criteria, and analyze reports of specific evaluations. A major component of the Vice President's programmatic resource allocation decisions to and between campuses will rest upon the results of these efforts, and his participation in the planning and budgeting processes at the University level requires a direct involvement in campus evaluation activities.

In addition, each of the four units reporting directly to the Vice President for Academic Development and Coordination is involved to some degree in a similar enterprise. The Survey Research Laboratory is part of the first group of COPE evaluations, the University Press

has developed a long-range fiscal strategy, the Institute of Government and Public Affairs has just completed a plan for program development and evaluation, and the Office of School and College Relations is in the process of defining its specific role and objectives. General campus and University procedures will be reviewed, and at a fall, 1974, Board of Trustees meeting a report will be presented by the Vice President summarizing the progress made during the initial evaluation phase.

It is obvious that many of the systemwide academic responsibilities cut across two, or all three, of these primary functions. One critical assignment that relates directly to all three involves the interaction between the University of Illinois and the Illinois Board of Higher Education. A recent report from New York emphasizes the lifting of a two-year moratorium on new doctoral programs, coinciding with plans for State Education Department evaluation of all existing doctoral programs in the State, and the view that all doctoral programs should be regarded as "an interrelated state-wide resource." The Office of Academic Development and Coordination has been working with the IBHE staff to insure that the goals of quality and complementarity expressed by the IBHE are achieved in Illinois without the disruptive intrusion implied by reports from other states. The University administration and the Board staff are committed to faculty-oriented quality control of academic programs, and the Vice President for Academic Development and Coordination will be exploring with the IBHE program staff the leadership potential available at the University of Illinois in the areas of academic planning and evaluation.

The announcement of an impending "Master Plan-Phase IV" from the Illinois Board of Higher Education places even greater emphasis upon this responsibility. If we are to present the programmatic vision for the University of Illinois in the 1970s, supported by quantitative analyses and placed in a priority context, then the leadership for such a document must come from the Academic Vice President's office. It is important to recognize, however, as we have stated in a draft of our Scope and Mission report, that the system academic officer also will continue to exercise a vigorous review of internal program approvals. Only through such a vigorous application of quality, need, and cost criteria at each University level will we be able to argue to the State that those program developments the Illinois Board of Higher Education is asked to endorse represent the best possible application of quality resources.

These objectives encompass the range of functions assigned to the systemwide Academic Vice President. The three essential components of development, coordination, and evaluation translate into the primary criteria one must apply within three years in assessing the premises and performance of the Office. If a valid test of multi-campus academic administration is to be constructed, then the objectives must be spelled out as they have been, and a commitment of resources and stability must be made. A University academic officer with major influence in matters relating to the allocation of resources, the development and evaluation of academic programs, and the coordination of academic functions, provides the opportunity to judge whether multi-campus academic administration can assist the campuses in their mutual efforts to enhance the quality of education.

We have learned during the initial year what the parameters of our effort should be in order to attempt such a judgment. I recommend now that we proceed to see whether these objectives can be approached.

Appointment of Associate Vice President for Academic Coordination

In line with the President's recommendations for the Office of Academic Development and Coordination as stated above, the Board of Trustees at its February 20 meeting approved the appointment of Dr. George A. Russell as Associate Vice President for Academic Coordination.

Dr. Russell, Associate Vice Chancellor for Research and Development and Acting Dean of the Graduate College at the Urbana-Champaign Campus, holds master and doctoral degrees from the University. He served in the Navy from 1940 to 1960, retiring with the rank of lieutenant commander. In 1961 and 1962 he was a Summer Session lecturer at Urbana before joining the faculty in 1962 as an associate professor of physics. He became a full professor in 1965. He also has served as Associate Director of the Materials Research Laboratory, Associate

Head of the Department of Physics, and Associate Dean of the Graduate College.

Dr. Russell will have responsibility for all aspects of system academic coordination as outlined in the background paper, including the planning, implementation, and evaluation of University-wide programs, and the policy issues related to graduate education and research. He will help coordinate the University's input to the Illinois Board of Higher Education "Master Plan-Phase IV," and pay particular attention to the more efficient matching of external resources to internal strengths. A fundamental long-range goal developed for the Vice President and the Associate Vice President will be to have each of the campuses view the quality of the other campuses as intimately related to its own.

Board of Trustees Statement on the William L. Springer Lake Project

The Secretary of the Board of Trustees received a request from Colonel James M. Miller, District Engineer, Chicago District, U. S. Army Corps of Engineers on November 5, to comment on the environmental considerations of the *Draft Environmental Statement — William L. Springer Lake*, dated September, 1973. On December 19, 1973, the Board acknowledged receipt of the *Statement* and asked the Director of Robert Allerton Park, who had also received a similar request, to make an appropriate response on behalf of the University of Illinois. The response was forwarded to the Corps of Engineers on January 18 as the Report of the Director, Professor Walter M. Keith, with copies sent to the University Board of Trustees.

The Director, in his report, raises several questions of policy arising out of the review of the *Environmental Statement*. These questions bear upon the Memorandum of Agreement of May, 1970, which was signed by the State of Illinois, the City of Decatur, the Decatur Sanitary District and the University of Illinois. These questions also relate to the statement of support of the project by Governor Walker in May, 1973.

Two of the conditions or assurances of importance both to the Board of Trustees and to Governor Walker are:

1. That the project will not result in significantly increased flooding in Allerton Park or adversely affect the ecology of that park.
2. That the land above the joint-use pool for accommodation of the flood control pool will be covered with foliage and will be generally satisfactory for recreational use when not covered with water. (The University understands that the proposed project has established the joint-use pool elevation at 623.0' above mean sea level [MSL].)

The *Draft Environmental Statement* does not provide clear evidence that these two conditions will be met.

In addition, because of the reported experience record of other U. S. Corps of Engineers dams and reservoirs that was not available to us when the 1970 Memorandum of Agreement was negotiated, the Board of Trustees continues to be concerned that possible errors in design or changes in operational procedures following construction of Lake Springer

may ultimately result in adverse effects upon the vegetation and wildlife in Allerton Park. Objective No. 7 of the Memorandum of Agreement of 1970 outlines the development of an operational plan for water management in the reservoir. The Board maintains its concern for and interest in the early development of this plan prior to construction of the project.

Some of the elements of the Memorandum of Agreement of 1970 have not been implemented and the draft of the *Environmental Statement* submitted by the Corps of Engineers does not appear to provide clear answers to concerns about "significantly increased flooding" nor about the "adverse effects upon the ecology of Allerton Park."

Accordingly, the University of Illinois Board of Trustees reaffirms its position with regard to the requirements of the Memorandum of Agreement of 1970 and declares its unwillingness to continue its present stance toward this project unless assured that those requirements are being and will be met. Toward this end, the Board of Trustees directs the administration of the University to analyze the final draft of the *Environmental Statement* when completed and to inform the Board concerning whether this statement contains the required assurances.

In addition, the Board authorizes the University to retain suitable independent engineering or other consulting assistance to:

1. Analyze the *Draft Environmental Statement*, and other documents, to ascertain the probable effects on Allerton Park, and other University properties, of the dam as now proposed and to report the results and findings of this analysis to the University.
2. Advise the University of any feasible alternatives that would reduce, to an acceptable level, any damage to be expected from the dam.
3. Advise the University as to how it can be guaranteed that the dam and reservoir will be designed, constructed and managed so as to eliminate or restrict possible damage to an acceptable level.

Inquiries to the *Faculty Letter* may be directed to the editor, Lucille Turigliatto, 272c Administration Building, Urbana. Telephone 333-6502.

Ellen Lfa



FACULTY LETTER

FROM THE OFFICE OF THE PRESIDENT · UNIVERSITY OF ILLINOIS

No. 246, April 10, 1974

“The Measures of Quality” — The President’s Annual Message

JOHN E. CORBALLY JR., PRESIDENT, UNIVERSITY OF ILLINOIS

I am pleased once again to greet and to visit with you — the people of Illinois — who are the constituency of the University of Illinois. In this, my third annual report to you, I am going to speak about quality. Quality is an elusive concept which can often be felt rather than measured. It is not easily described within the usual framework of numbers and charts and its definition varies with the purposes of the individual or institution to which it is applied. In spite of these difficulties, it is important that those of us who represent the University of Illinois and who work to maintain and to enhance the quality of the University can describe that quality in meaningful ways. For it is because of that quality that we are a unique asset of the State of Illinois, that we require special understanding and special levels of financial support, and that we can contribute in so many ways to the people of Illinois, of the nation, and of the world.

Obviously, our quality must be measured in terms of what we are asked to be. We are a Land-Grant university and as such we not only are asked to offer programs of instruction and of research but to bring these programs to bear upon public problems through activities of extension and of public service. Within the requirements of this charge, we must be more than a teaching and research institution in the mold of the great private and public non-Land-Grant universities and must involve ourselves with people in ways which influence their daily lives for the better.

In addition to our role as a Land-Grant university, we have consistently been viewed as the primary public university in Illinois in the areas of graduate and of professional education. We are described as “a comprehensive university” with programs encompassing every academic and professional discipline through the highest academic or professional degree appropriate to each discipline. This combination of breadth and depth requires programs of teaching and research which are found in only a few such comprehensive universities, requires a faculty and staff with special abilities to permit the design and offering of such programs at all levels of university instruction, and requires a student body with the motivation and academic abilities to permit success in such programs.

So it is within this dual role of Land-Grant university and comprehensive university that the University of

Illinois performs and it is within this dual role that our measures of quality must be found.

The high quality of the student body at the University of Illinois is one of the major reasons for the University’s reputation as a center of excellence in higher education.

The “typical” freshman is a graduate of the upper one-fifth of his high school class. Fewer than one student in ten enters the University from the lower half of his high school class.

In addition, freshmen entering the University of Illinois earn test scores substantially higher than the national average for college-bound students. The “typical” University of Illinois freshman earns a composite score of twenty-four on the American College Test — which is better than seven out of ten college-bound students taking this exam. Among the colleges, the average composite scores vary from nineteen (better than four out of ten students nationally) to twenty-seven (better than nine out of ten). In comparison with more than 400 institutions participating in the ACT Research Service, the University of Illinois ranks in the upper two per cent in terms of the average test scores of its entering freshmen.

The success of these students at the University is evidenced by the fact that, at the end of their first year, 97 per cent are eligible to continue to their second year.

It is perhaps not surprising to learn that these highly qualified and motivated freshmen earned more than 29,000 semester hours of college credit last fall on the basis of proficiency exams — credit which represents the equivalent of a full year of college work for nearly 1,000 students.

The University of Illinois also attracts a large number of highly qualified transfer students from a variety of two- and four-year institutions, including every public community college in the State. The typical transfer student enters with a B- average for his previous college work, having graduated from high school in the upper third of his class. Approximately one of every five undergraduates enrolled in the University entered as a transfer student.

The quality of entering students is outstanding in the professional colleges: Law and Veterinary Medicine at Urbana-Champaign and Medicine, Dentistry, Pharmacy,

and Nursing at the Medical Center. There are far more applicants than spaces available in all of these colleges, ranging from more than two applicants for each space in Pharmacy to nearly ten to one in Medicine. And the average grades of the successful applicants for college work prior to entrance range from B- to A-. For the professional colleges requiring standardized tests (Medicine, Dentistry, Law, and Veterinary Medicine), the average scores of the entering students are better than eight out of every ten applicants in the nation.

At the graduate level, the high quality of entering students is evidenced by their undergraduate academic records. Those admitted have, on the average, earned undergraduate grades of B+ to A. In a number of departments, competition for admission is so keen that only those students with the most outstanding records can be selected.

The attractiveness of the University to students with excellent academic records and a wide variety of career interests and goals results in a stimulating atmosphere both inside and outside the classroom. As one reflection of this atmosphere, the University ranks third among all universities in the nation, and first in the Big Ten, in the number of its baccalaureate graduates who have also earned doctorates.

Among the outstanding graduates of the University, there are five Nobel Prize winners and ten Pulitzer Prize recipients; and thirty-one alumni are presidents or chairmen of the board of the 500 largest United States corporations, a record exceeded only by two universities in the nation.

As impressive as are these facts, an even more impressive measurement of student quality is found in visiting informally with these young men and women. The range of their interests is enormous. One need only review the list of out-of-class activity groups supported and mostly developed by students to realize that these are not ordinary young people. Singing groups, radio clubs, chess clubs, foreign languages clubs, intramural sports, arts and crafts clubs, volunteer activities in the communities, astronomy clubs, hiking clubs — these and hundreds more engage the attention of our students during their non-class hours. One feels their quality in ways much more convincing than are mere test scores and high school ranks.

Faculty and staff quality can be measured in many ways and also is better felt than quantified. Each month I report to our Board of Trustees concerning the honors and awards received by members of our faculty and staff. Each month I report upon elective offices in professional societies and organizations to which members of our faculty and staff have been elected by their colleagues.

Last June I was pleased to announce the election of Professor Rudolph A. Marcus to the American Academy of Arts and Sciences, bringing to sixteen the number of our faculty members who belong to this group. The oldest organization of its kind in the nation, the Academy elects outstanding Americans from all areas of arts and sciences. Professor Marcus is a physical chemist.

In May, Professor David Pines was elected to the National Academy of Sciences. Professor Pines is a member of the Departments of Physics and Electrical Engineering and his election brings to twenty the total number of University faculty elected to this exclusive group.

Also in May, two faculty members were elected to the National Academy of Engineering. Professor Nick Holonyak, Jr., an electrical engineer, and Professor Ven Te Chow, a civil engineer, bring the total University of Illinois membership in this group to thirteen.

On January 1, an Illinois alumnus took office as president of the 108,000-member American Chemical Society. Professor Bernard S. Friedman of the University of Chicago is the fifth alumnus of the University of Illinois to become president of the group in nine years. Another alumnus, Professor William J. Bailey of the University of Maryland, will assume the post in 1975.

Particularly at the graduate and professional levels, the reputation of the faculty is a key element in attracting students and new faculty to an institution. The fact that graduate enrollments continue to remain stable at the University of Illinois in the face of declining enrollments nationally, and the success of our campuses in recruiting able young men and women to join our faculty are further measures of quality.

And, as is true of our students, our faculty and staff members are interesting and involved human beings with wide ranging activities in their communities and in their leisure time. Whether it be gourmet cooking or weather forecasting or ancient coins or antique cars, I have yet to find an area of interest in which one or more members of our faculty and staff are not *bona fide* experts. These men and women are quality people as well as individuals who perform their University tasks with quality.

The quality of the programs of the University is best illustrated by citing just a few examples. These examples illustrate the attention which is paid by the people of the University of Illinois to needs which are often unrecognized. They are examples of what might be called a "quality of concern" which is a hallmark of the University and they illustrate that our programs are designed to serve all of the people of Illinois rather than only "registered students."

The **Intensive English Institute** is a service of the Division of English as a Second Language and the Office of Continuing Education and Public Service.

There are many inquiries and applications for admission from promising foreign students who seem well qualified in their fields of study but have an insufficient knowledge of English for academic work.

The Intensive English Institute is equipped to meet the language needs of these students on the Urbana-Champaign Campus. These students have the advantage of concurrent campus orientation on the site of their future academic work, and special arrangements can be made to ease them into their academic courses of study as they gain increased knowledge of the language of instruction which, of course, is English.

Such arrangements may include auditing of select academic courses or interaction modules with "commu-

nication pals" from the relevant academic disciplines. For any students needing some additional assistance in English after their completion of the regular program, semi-intensive non-credit courses in English are available to be taken along with a reduced course load in the academic curriculum.

The program of instruction includes a minimum of twenty hours of classes per week plus PLATO and traditional laboratory reinforcement; special clinics; tutoring as needed on an individual basis; field trips; communication pal assignments; and automatic community access telephone instruction availability through direct dialing twenty-four hours per day.

Community Health Centers have been established by the University of Illinois Rockford School of Medicine in Belvidere, Kirkland, Durand, and Mt. Morris, bringing medical services to areas lacking sufficient doctors. The vast majority of health care contacts are made in the ambulatory office setting. The teaching of ambulatory medicine at the Rockford School of Medicine is constructed to involve the student and the teacher deeply in a system of comprehensive, continuing personal health care.

The community health center office system was designed specifically for student teaching and the concomitant provision of health care in areas where medical services are inadequate. The program is the first effort of its kind anywhere in the United States. Excellence of teaching and care, consistency in quality and availability of service, and evidence of deep interest in the social and professional needs of the community must be hallmarks to accompany success for the community health centers as a new mode for medical education.

The objectives of the program are the following:

1. to provide ambulatory care centers involving patient, student and teacher in a continuing relationship;
2. to encourage students to practice outside urban and suburban settings;
3. to provide health care services to communities lacking such services;
4. to experiment with delivery systems for health care;
5. to develop experimental programs for sophisticated "physician extender" care;
6. to fund the teaching of ambulatory care through delivery of health care;
7. to bring scientific backing and sophistication to the health care delivery system through experienced teachers in each office;
8. to study the effect of the system on the function of physician-teachers in the office teaching setting.

The **Energy Resources Center** at Chicago Circle was established to study and offer advice on the overall energy problem in the State of Illinois — established, incidentally, well before the "energy crisis" became a part of our daily lives. The Center will initially determine the magnitude of the flow of natural resources, coal, oil, gas, and uranium into the State in general, and into Chicago,

in particular, to establish the use pattern of energy resources in such areas as transportation, industry, and residential-commercial.

Critical research and development needs for the energy resource program of the State will be identified and active research undertaken in selected areas. The technical manpower needs in the energy field in Illinois and surrounding states will be explored and, if necessary, recommendations for new programs to meet future needs will be generated. The Department of Architecture, the bioengineering program, and the Departments of Energy Engineering, Materials Engineering, and Political Science will be involved in the studies. Projects will include the analysis of electrical power usage, coal desulfurization processes and coal gasification systems for energy use patterns, waste heat in the nuclear power program, and possible energy savings through alteration of transportation patterns.

The Center is administered by the College of Engineering.

The first Annual Illinois Energy Conference was held at Chicago Circle during the summer of 1972. It was sponsored by the Department of Energy Engineering and the Division of University Extension, and its purpose was to examine the energy problems in the State of Illinois. The first Illinois Conference was the initial step in the development of the Energy Resources Center. The Center is now actively involved in the planning of the second conference devoted to energy conservation in Illinois.

Doing business with the Russians requires training and know-how — and the University of Illinois at Urbana-Champaign is offering its help to Illinois leaders in business, industry, and government.

The **University of Illinois Committee for Public Service in International Affairs** — through the prestigious Russian and East European Center — is mobilizing the University's resources to help these leaders, their organizations or firms and their associates deal effectively with Soviet Union agencies.

Its ammunition includes three dozen faculty specialists, a stellar library collection, and even a computerized Russian language teaching machine program.

And, first of all, the University is offering to industry options as to how assistance in Russian-East European background information and studies might be delivered.

"With the recent dramatic expansion of United States-Soviet trade, many Illinois business leaders have expressed a desire to know more about Russia — its institutions, language, culture, and society," according to Professor Ralph T. Fisher, Jr., Director, Russian and East European Center, and J. Terry Iversen, Chairman, Committee for Public Service in International Affairs.

They explained that the plan is to help industry "profit by the facilities and expertise readily available at the University in order to deal more effectively and efficiently with the Soviet Union."

The Committee and the Center are inviting businesses to suggest the kinds of Russian studies programs which

would fit their needs — on-campus instruction, off-campus courses, short courses, or symposia.

They point to the outstanding facilities and courses associated with the University of Illinois Russian and East European Center.

The University of Illinois has been teaching Russian history since the 1930's, and the present Center was established with support from the United States Office of Education.

"The Russian and East European Center brings together some three dozen Russian studies specialists on agricultural economics, anthropology, economics, education, geography, history, law, languages, library science, literatures, political science, and sociology," the letter explains.

Backing up faculty resources is the third largest appropriate university library collection in the country. Holdings in Slavic and East European studies now total more than 300,000 volumes, the largest collection of any library west of Washington, D.C. A unique facility is the special Slavic-East European Reading Room.

Even PLATO — the mighty computer — has been drafted. The University of Illinois has developed a Russian language course using PLATO in conjunction with a textbook, "Reading and Translating Contemporary Russian." It can be a self-instruction course, or be taught by an instructor. Its advantage is that each student can complete the lab work at his own pace and thus decrease the time needed to learn Russian.

Ninety-five State contracts were actively being carried out by the University as of April 11, 1973. Involved are twenty-seven State agencies and a total dollar amount of \$4,698,767.

The projects are classified as research, public service, fellowship, scholarship, workshop, instruction, administration, or organized activities.

Research was contracted in many areas, including adult education, exceptional children, cattle and swine disease, Illinois wildlife, pollution control, drugs, mass transportation, and many others.

Public Service contracts include veterinary diagnostic services, supervision of a pollution control task force, the annual Fire College, library services for Illinois residents, a workshop in bricklaying and masonry construction and one in mechanical trades, in-service training to health occupations instructors, and consumer and home-making education for low-income families.

Fellowships and Scholarships include legislative staff internships, minority group members trained as public service administrators, training of social workers, matching funds for contributions of students for undergraduate scholarships, special education traineeships, aircraft and engine mechanic scholarships, and a master's level program in preschool education of the handicapped.

Workshops and Instruction include an educational program for low-income farm families in four Southern Illinois counties, Asian and Middle Eastern studies, sharing computer resources, a summer program for re-

training special education teachers in preschool education of the handicapped, safety and driver education retraining for experienced teachers, aircraft maintenance program, recruitment, training and placement of teachers in the health field, a master's level program in criminal justice, special education traineeships, an environmental health seminar series, residency training in psychiatry, and a nurse recruiting and education program.

Organized Activities include the Medical Center Community Mental Health Program, the Child Psychiatry Clinic, and clinical psychiatric services for adult outpatients.

These examples are merely illustrative of the quality of our students, of our faculty and staff, and of our programs. These people and their activities are what led to the designation of the University of Illinois as one of forty-eight members of the Association of American Universities, as a member of the International Association of Universities, as a consistent high ranking institution in ratings of faculty and programs conducted by the American Council on Education and other agencies, and as an institutional member of the Argonne Universities Association and of the Universities Research Association — two national groups engaging in cooperative advanced research undertakings. It is these people and these programs that assist the University in contributing to the economic strength of the State of Illinois through teaching, research, and public service. It is these people and these programs that enable the University of Illinois to receive Federal support of its programs in amounts exceeded by only nine or ten public and private universities of the nearly 1,700 in the nation. It is these people and these programs which lead our sister institutions of postsecondary education in Illinois to look consistently to the University of Illinois for leadership in innovation and in problem solving in higher education.

These examples and countless other activities add up to the University of Illinois and to its unique and priceless quality. When we speak of and seek dollars from the General Assembly, we are really seeking support for these people and programs and, ultimately, for each of you. We could be a less expensive university; but we *could not* do so and remain the kind of University of Illinois which you have supported over the years and which our State deserves. As one who has lived and worked in such states as California, Washington, Ohio, and New York, I am persuaded that no state in our nation can or should surpass Illinois. We are a top-quality State and one hallmark of such a state is the quality of its principal university. Our State is known and respected throughout the world by many who know only of the University of Illinois. We want to continue to play our role as a leading indicator of the quality of Illinois. To do so, we need your continuing understanding and your continuing support. We represent you to many people and in many ways and we shall continue to do our best to insure that your University of Illinois represents you in the special ways of quality which characterize our State and the people of our State.

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FACULTY LETTER

FROM THE OFFICE OF THE PRESIDENT · UNIVERSITY OF ILLINOIS

No. 247, June 14, 1974

President's Statement to IBHE Tuition Study Committee

PRESENTED BY PRESIDENT JOHN E. CORBALLY JR., JUNE 3, 1974

MEMBERS OF THE STUDY COMMITTEE:

While the Board of Trustees of the University of Illinois has taken various actions in the last year which are either directly or indirectly related to the matter of tuition levels for students at the University, the Board has not adopted an official policy position concerning tuition levels. It is, therefore, important to your consideration of my statement that you view it as an administrative statement which has the general support of my administrative colleagues at the University, but which has not been considered by our governing board.

It is fair to report that in every case where tuition levels have been discussed by the Board of Trustees of the University of Illinois, there have been statements made in support of maintaining tuition levels at public universities at the lowest possible levels. Neither the Board nor the administration of the University of Illinois believes that the financial problems of either public or private higher education can be resolved through a program of ever increasing tuitions in the public sector with so-called "full-cost" tuition as the ultimate goal. The public sector of higher education was established to meet public purposes: to be responsive to public direction through governing boards selected or elected through public processes, through the actions of the General Assembly, and through the actions of the executive branch of State Government; and, accordingly, to be supported through public funds. The methods of funding and of control differ for the public and for the private sectors of higher education and it is those differences which permit and nurture the dual system of higher education which we believe to be important in our nation. To the extent that current real or imagined problems are permitted to lead to erosion of those differences in funding and in control, the existence of true and necessary quality is eroded.

Low tuition is the best and most efficient scholarship mechanism available. Those who would argue that low tuition "subsidizes the wealthy" overlook the fact that public services are provided to all in this nation according to the usefulness and necessity of those services to each citizen and to the society as a whole. In the funding of those services — the tax program — arrangements can and have been made to provide for resting a greater tax burden upon those most able to pay. If it is felt that the

burden of paying for any public service is not distributed equitably, an adjustment of the tax system is needed rather than the imposition of special fees which penalize the segment of society involved at any given time in a program meeting public purposes.

At a time when many express great concern about "overhead" costs, it seems inconsistent to support programs which couple high tuition levels in the public sector with various new scholarship, loan, grant, and waiver programs — each of which adds overhead expense — which are not necessary if tuitions are held at reasonably low levels. It is equally inconsistent to become enamored with complex systems of differential tuition charges with the attendant "overhead" involved in calculating, assessing, and collecting tuition within such systems. Obviously, tuition charges deal with averages and with history. There is no way to develop a clear and objective philosophical foundation for current tuition charges; to attempt to develop such a foundation for complex subdivisions of charges is to add confusion to confusion and is to attempt to clarify a pragmatic event by inundating that event with calculated subjectivities.

As I review the testimony already presented to the Committee, I am particularly impressed by the set of questions addressed to you by Representative James R. Washburn. I am not certain, for example, that there is merit to a statewide tuition policy as opposed to system tuition policies. I am not certain that tuition increases of the magnitude proposed for Fiscal Year 1975 really represent the massive and oppressive burden which they have been said to represent. Obviously, dollars spent for tuition payments represent dollars which cannot be spent for other purposes. With the well-supported ISSC program in Illinois, dollars spent by families and by individuals for tuition are not dollars which most of those families or individuals would spend for food, shelter, or clothing. The expenditure of tuition dollars may represent some financial sacrifice, but our society has never, it seems to me, been based on any concept other than that worthwhile objectives are met through some choices and some sacrifice. To attempt to design a plan which eliminates the elements of sacrifice and of effort is, I believe, both impossible and unwise.

I am certain that the Study Committee is less interested in comments about what should not be done than

it is in suggestions concerning what might be done in the area of tuition levels. It is my view that the Committee should couch its recommendations in general terms, should reaffirm the role of system governing boards in considering tuition details, should seek system proposals for tuition policies which offer the long-range frameworks about which Representative Washburn spoke, should stress the need for some kind of legislative-executive support at the State level of tuition plans which permit both institutions and students to plan within a tuition framework of stability and predictability, and should disavow the use of tuition in public higher education either as a means of dealing with problems of equity in tax programs or as a means of preserving private higher education. While there is no magic in the current IBHE policy which establishes one-third of undergraduate instructional costs as a reasonable tuition goal, there is no magic in other numbers either. The "one-third" concept has served as a realistic goal, does have at least the merit of history, and is a concept which preserves what most of us consider to be low tuition levels in public higher education. It is a flexible framework which responds to inflation or to deflation and which provides for differences among systems depending upon the nature and costs of system programs. It allows for special consideration within systems of differential tuitions without attempting to describe at the State level a set of complex considerations which vary from system to system and from year to year.

It provides a governing board with an opportunity to establish tuition levels at a percentage of cost rather than at specific dollar amounts so that all those interested in tuition levels can predict with some accuracy what the levels will be prior to specific governing board action to confirm current levels.

In considering tuition levels within the University of Illinois, we must pay special attention to tuition charges at many institutions outside of Illinois. While it is important that our tuition charges bear some intelligent relationship to charges at our sister public systems within Illinois, we must also consider our relationships with the small number of public universities outside of Illinois who strive to meet the unique responsibilities and to serve the unique purposes of comprehensive Land-Grant universities with special responsibilities for graduate and professional education, for public service, and for undergraduate education of a special scope and quality. Consideration, for example, of tuition charges at the graduate and professional levels of instruction is of far more significance to the University of Illinois than to any other system within Illinois and is a consideration which we believe is best made by our Board of Trustees within a general policy framework adopted by the IBHE.

I appreciate this opportunity to present my views to you and look forward to continuing opportunities to work with the Committee and with the staff of the IBHE as you complete your important tasks.

Scope and Mission of the University of Illinois, 1974-1980

President Corbally gave to members of the Board of Trustees, meeting on the Medical Center Campus May 15, 1974, copies of the document, *Scope and Mission of the University of Illinois, 1974-1980*, with this presentation:

The accompanying document entitled *Scope and Mission of the University of Illinois, 1974-1980* describes a planning framework for the educational activities of the University of Illinois system during the remainder of the 1970-1980 decade. This document is the culmination, but not the conclusion, of activities initiated in the spring of 1972 and is the most recent of several formal statements of institutional mission, objectives, and plans. The first of these statements, the *Provisional Development Plan*, was approved in principle and for transmittal to the Illinois Board of Higher Education by the Board of Trustees on September 16, 1970.

By the spring of 1972, both the staff of the Illinois Board of Higher Education and the staff of the University of Illinois had agreed that the principles and the procedures introduced by the IBHE staff to prepare the operating appropriations requests for FY 1972-73 left much to be desired. Executive Director's Report No. 104 recognized that all sectors of Illinois higher education "are mutually anxious to avoid the problems and the constricted timetable which hampered FY 1973 deliberations." More specifically, it stated:

The systems have been asked to provide their separate plans for approaching FY 1974 budget decisions. We will work to coordinate their responses to effect uniform development and review procedures. We are determined

that the next several months be dedicated to institutional system and statewide planning, encouraging the priority and program evaluation activity to be done at the campus and system level.

In response to the IBHE staff's request, the University suggested that several general issues be considered before the guidelines for the planning of succeeding appropriation requests were formulated, including the establishment of a basic fiscal frame of reference for institutional and IBHE-staff planning, the assessment by each institution (and by the IBHE staff) of the impact of the budget limitations for the biennium 1971-73 upon the individual institutions and upon the entire system of higher education, the updating and further refinement of statewide enrollment projections for each campus, and the examination of the basic planning assumptions regarding scope and mission for the various institutions.

In its commentary upon the recommendations in Executive Director's Report No. 103 for the elimination or sharp curtailment of some of its educational programs, the University indicated that its unwillingness or inability to accept most of those recommendations stemmed in large measure from fundamental disagreements with what appeared to be the assumptions underlying them. It seemed clear then, and the IBHE staff subsequently agreed, that the apparent conflict between Report No. 103 assumptions and the Master Plan—Phase III and other IBHE policy statements concerning the University's scope and mission had to be resolved as a prerequisite to effective communication and cooperation between the Board of Higher Education and the University of Illinois in future planning.

The first item in Report No. 104 addressed this point directly in acknowledging that "Campus master plans at senior, junior and private institutions need systematic revision to bring these plans into full concurrence with MP-III, especially as it relates to scope and mission and interinstitutional planning." The University commented in response to that observation that:

... in the light of the discussion above concerning the relationship of MP-III to the University of Illinois, that there is considerable ambiguity or indeterminacy in MP-III regarding that document's "basic planning assumptions" for the various institutions. Many aspects of Master Plan-Phase III have not been defined operationally, and frequent disagreements have arisen between the IBHE staff and institutional representatives regarding the interpretation of MP-III.

*(University of Illinois Commentary
on Executive Director's Report No.
103, p. 57)*

During later discussions between the IBHE staff and the staff of each public higher education system, it was agreed that the initial step toward accomplishing an operational definition of MP-III would be the preparation by each institution of a statement of its conception of the scope and mission assigned to it and of the corollary basic planning assumptions. As these institutional statements were being developed, conferences were held by the IBHE staff at each campus in May, 1972, to explore the critical issues that might have emerged prior to the adoption of MP-III and since then, for the purpose of achieving better mutual understanding of apparent divergencies of interpretation and in the hope of resolving such differences to the fullest extent possible. In the light of those discussions and partly on the basis of the statements submitted by each of the University's three campuses following the meetings with IBHE staff members, a document entitled *The Scope and Mission of the University and the Basic Planning Assumptions of Its Campuses* was prepared and submitted to the IBHE staff in June, 1972.

For FY 1975 budget requests and multi-year budget estimates, the Illinois Board of Higher Education introduced a new format, the Resource Allocation and Management Program (RAMP), within which Illinois public senior universities must submit their budgets for review by the IBHE. The

RAMP format required, for the first time as a formal requirement, universities to state their scope and mission objectives and technical plans for achieving those goals. The accompanying document is in response partly to this requirement and is the product of a continuous process of interaction between departments, colleges, campuses, central administration, governing board, and the Illinois Board of Higher Education. Previous bound versions were prepared for distribution to members of the Board of Trustees on July 18, 1973, and April 5, 1974.

The first chapter considers the scope and mission of the University of Illinois as a whole, together with its major planning emphases, and the continuing process of academic development and program evaluation. The following three chapters are focused upon the distinctive contributions made by each campus to the University's educational mission and responsibilities, and upon the basic assumptions underlying their respective sets of priorities in educational planning and in the allocation of resources. Attention is given to several specific problems that have been identified during the many scope and mission deliberations.

The second section of the document spells out the University's assumptions about enrollment patterns and the availability of resources for higher education. The planning proposals of the first four chapters depend in part upon the validity of these assumptions. Also, the enrollments and resource projections of the financing model are reconciled with the scope and mission statements of the first four chapters.

While the basic purposes of a university such as the University of Illinois remain constant, the specific activities and programs undertaken to meet those purposes will vary with time. The dynamic nature of the University and the multitude of plans for innovative response to changes in the state of knowledge, social conditions, and the nature of the student body defy a statement which specifically defines the scope and mission of the University of Illinois over an extended time. The accompanying document, which I recommend for approval and for transmittal to the Illinois Board of Higher Education, is already the subject of the continuous process of reassessment and adjustment.

The Board gave approval of the document and its transmittal to the IBHE. Copies of the document have been made available to heads of departments.

Undergraduate Instruction Awards for Summer 1973 Projects

The Board of Trustees at its May 15 meeting approved several undergraduate instructional and curriculum development awards for projects completed during the summer of 1973. The recommendation was as follows:

At its meetings on March 21, 1973, and April 18, 1973, the Board of Trustees approved a total of twenty-six projects, involving thirty-one faculty members, for support during the summer of 1973 under the Urbana-Champaign program of Undergraduate Instructional Awards and the Chicago Circle program of Curriculum Development Awards. These awards generally provided a full-time salary for two months to the recipients for work on projects designed to improve the quality of undergraduate instruction. (There were two awards for projects of one month's duration and one award which provided half-time salary.

In December, 1972, and again in October, 1973, the Standard Oil (Indiana) Foundation made available a total of \$5,000 for special awards for outstanding teaching by undergraduate faculty—\$3,000 on each occasion for the teaching awards and \$2,000 on each occasion to be deposited in the President's Contingency Fund. The sum of \$6,000 has been held for special awards for projects conducted during the summer of 1973.

The chancellors at the Chicago Circle and the Urbana-Champaign Campuses each appointed a special committee to review the reports submitted by the grantees following the completion of their projects last summer. The committees were asked to select the most meritorious projects for recommendation to their respective chancellors. In the light of these recommendations, ten proposals were submitted to the Vice President for Academic Development and Coordination for consideration (four from the Chicago Circle Campus and six

from the Urbana-Champaign Campus). After reviewing the reports and the endorsements, the Vice President for Academic Development and Coordination recommends that special awards of \$1,000 be made for six of the ten projects as follows (in the instances where more than one person was involved in one project, the award will be shared by the participants):

CHICAGO CIRCLE CAMPUS

Cynthia Jameson, Associate Professor of Chemistry; Leonard Kötin, Assistant Professor of Chemistry; and C. F. Liu, Professor of Chemistry, "Restructuring Chemistry III: Introduction to Chemistry with Use of Video Tapes and Computer Terminals."

Robert Arzbaeher, Professor of Electrical Engineering in Information Engineering, "Curriculum Articulation in In-

formation Engineering: Modular Design and Computer-Assisted Learning."

David Weible, Assistant Professor of German, "Development of PLATO IV Programming for Vocabulary Learning in First-Year German."

URBANA-CHAMPAIGN CAMPUS

Alan W. Haney, Assistant Professor of Botany, "Computer Assisted Instruction for General Botany."

Robert A. Jones, Assistant Professor of Sociology, "Development of an Interdisciplinary 'Phenomenological' Perspective in Sociology 100."

Paul G. Schmidt, Assistant Professor of Chemistry and of Biochemistry, and J. A. Katzenellenbogen, Assistant Professor of Chemistry, "The Chemistry of Life."

Designation of a University Purchasing Director

At its May 15 meeting the Board of Trustees approved the designation of a University Purchasing Director and the appointment of Lester E. Elliott to that position. This follows the practice of several years at the University in the area of purchasing by coordinating, and in a number of cases by combining, purchases for its several campuses, and also during the last year an attempt for all of higher education in the State to achieve more coordinated purchasing. Common procurement practices have been under development by the senior institutions — a purchasing division of IECCS (Illinois Educational Consortium for Computer Services) has been created, and some commodities have been tentatively identified for statewide procurement.

Mr. Elliott, Director of Purchases for the Urbana-Champaign Campus since 1960, has acted as coordinator in the University's efforts at coordinating and combining purchases for the several campuses. As University Purchasing Director he will continue his present coordinating role and also take a leadership position for the University in the developing statewide efforts, efforts being promoted by a number of State agencies as well as the Joint Council on Higher Education.

Mr. Elliott, a graduate of the College of Wooster in Ohio, has been on the University staff since 1946 when he joined as Buyer-Assistant Director of Purchases on the Urbana-Champaign Campus.

Of Special Interest to Resigning and Retiring Academic Staff

The following memorandum was sent May 30 to the three chancellors by Morris S. Kessler, Assistant Vice President for Planning and Allocation:

In connection with the change on policy of paying academic staff members upon termination of services, I should like to point out that, in accordance with State law, the health and life insurance coverage provided by the State and benefits available to active employees under the Universities Retirement System cease as of the resignation date. Some employees might not think of this when they are anxious to get their final paycheck early. Therefore, it would be desirable to include such reminder in any notification to staff.

Staff members employed for the academic year can continue their benefits through the summer only if they resign as of August 31 at Chicago, or August 20 at Urbana. Staff members on a twelve-month basis can continue all their bene-

fits by taking their vacation before the resignation date. By special rule the State insurance coverage is continued through the period covered by the lump sum vacation payment. However, this ruling does not apply to academic year service personnel, since their final payment is not for vacation.

Staff members who are retiring continue to receive State insurance benefits through the retirement system, and therefore, it is normally advantageous for them to retire and apply for a retirement annuity as of the date of their last day of service.

Inquiries to the *Faculty Letter* may be directed to the editor, Lucille Turigliatto, 272c Administration Building, Urbana. Telephone 333-6502.



FACULTY LETTER

FROM THE OFFICE OF THE PRESIDENT · UNIVERSITY OF ILLINOIS

No. 248, August 14, 1974

Board Receives University's Request for Capital Appropriations for FY 1976

The Board of Trustees, meeting on the Urbana-Champaign Campus July 17, 1974, received from President John E. Corbally Jr. the University's budget request for operating and capital funds for Fiscal Year 1976. The budget request had been prepared by the Vice President for Planning and Allocation and the Vice President for Academic Development and Coordination with the advice and concurrence of the University Planning Council and the University Budget Committee and with the review of the three chancellors.

At the suggestion that final consideration of the budget recommendations be postponed until the Sep-

tember meeting, the Board decided, because of time limitations in the calendar of consideration by the Illinois Board of Higher Education, that it would authorize the administration to begin discussions with the IBHE Staff, approving the materials submitted as "documents for discussion" with the IBHE or its staff and reserving final action on the recommendations and accompanying documents until a later time.

In this issue of the *Faculty Letter* is presented a part of the Capital Budget Request, an overview of the request. A summary of the Operating Budget Request will appear in a later issue.

University of Illinois Budget Request for Operating and Capital Funds, Fiscal Year 1976

PREPARED FOR PRESENTATION TO THE BOARD OF TRUSTEES, JULY 17, 1974

Part II. Capital Budget Request

CHAPTER A. OVERVIEW

The FY 1976 Capital Budget Request for the University of Illinois is presented in the next five chapters: (A) An Overview of the Request, (B) The Current Status of Capital Programs at the University of Illinois, (C) The Capital Requirements Necessary for the Scope and Mission of the University of Illinois for 1974 to 1980, (D) Section I of the FY 1976 Request, and (E) Section II of the FY 1976 Request. In general terms, this request will show the current status of capital facilities and those facilities which are required to carry out the programs of the University of Illinois for the next five years. This request is the planning document

which translates the University's long range plans for capital improvements into the building and remodeling programs necessary to maintain the high quality of instruction, research, and public service at the University of Illinois.

Summary of University's Capital Request for FY 1976

The total capital program requested from State funds for FY 1976 is \$50,329,500 exclusive of reappropriations. It is anticipated that \$49,903,200 can be funded from the Capital Development Bond Fund and \$426,300 from the General Revenue Fund. It is estimated that additional funds in the amount of \$29,531,800 will be available from other sources to supplement this request. Table I provides a listing of the estimated State funds required in FY 1976 for the building projects and budget categories by campus.

The justification for the request is divided into two sections which should be regarded as related but separate.

The first section (\$21,166,100) contains only three projects. These projects—the Hospital Replacement Facility at the Medical Center Campus in Chicago, the site improvement necessary for the construction of the Peoria School of Medicine, and a Crash Rescue Facility for the Willard Airport at Urbana-Champaign—have statewide implications other than education. The two health related projects are necessary to the medical education expansion at the University of Illinois, but also are improvements which will benefit other segments of the State of Illinois. The Hospital Replacement Facility will provide modern facilities to serve the referrals from all over the state. The site improvement at Peoria will provide a benefit to that city as well as to the University. The site is part of an urban renewal project for the city of Peoria. The University has selected the site for the Peoria School of Medicine within the urban renewal area as a cooperative effort with the city of Peoria and the site development costs requested are the additional costs estimated for the development of this area. The Crash-Rescue Facility at the Willard Airport provides minimal instructional support but is absolutely essential for the safety of those using the University's airport. A complete description of these projects is given in Chapter D.

The second section (\$28,863,400) is comparable to previous annual requests for capital budgets. This request is the smallest one submitted by the University of Illinois since

the state began annual budgeting in FY 1970 and indicates the beginning of a change from mainly a new building oriented request to a remodeling and replacement oriented request.

At the Chicago Circle Campus the request is for three major items. It is requested that funds be authorized for (1) completing the Library Addition project which will begin in FY 1975, (2) beginning Phase I of the remodeling in the Science and Engineering Laboratory to provide facilities for graduate work in engineering and the sciences, and (3) planning for Phase II of the remodeling program and for an academic building.

At the Medical Center the request is mainly for funds to (1) equip and complete those projects previously authorized, (2) remodel vacated space, (3) plan for remodeling in FY 1977 and for a new School of Public Health Facility, and (4) construct a small storage facility for flammable liquids.

At the Urbana-Champaign Campus the request is mainly for funds to (1) construct three buildings—a Law Building Addition to increase law enrollment, a Library North Court Addition, and Phase I of a Nuclear Reactor Laboratory Addition, (2) remodel and upgrade existing facilities for program changes, and (3) plan three facilities—Life Sciences Teaching Laboratory, Engineering Library Addition, a Botany Greenhouse—and plan remodeling projects which will be requested for construction in FY 1977.

A complete description of all projects in Section II is given in Chapter E.

TABLE 1 — CAPITAL REQUEST FOR FISCAL YEAR 1976

<i>Project Category</i>	<i>Chicago Circle</i>	<i>Medical Center</i>	<i>Urbana-Champaign</i>	<i>Total</i>
1. Building Projects	(\$1,187,200)	(\$20,475,000)	(\$ 8,983,200)	(\$33,645,400)
Hospital Replacement		20,425,000		20,425,000
Library Addition	4,187,200			4,187,200
Liquid Gas Storage Facility		50,000		50,000
Law Building Addition			5,783,200	5,783,200
Library North Court Addition			1,471,400	1,471,400
Nuclear Reactor Lab Addition, Phase I			1,659,600	1,659,600
Airport Crash Rescue Facility			69,000	69,000
2. Funds to Complete Bond-Eligible Buildings	-0-	235,300	42,200	277,500
3. Land	-0-	-0-	200,000	200,000
4. Equipment	845,400	1,567,000	655,000	3,067,400
5. Utilities	799,800	37,800	1,684,000	2,520,800
6. Remodeling and Rehabilitation	979,800	5,021,300	2,339,700	8,340,800
7. Site Improvements	103,000	1,075,900	393,000	1,571,900
8. Planning	195,000	159,000	163,800	517,800
9. Cooperative Improvements	-0-	-0-	187,900	187,900
<i>TOTAL</i>	<u>\$7,109,400</u>	<u>\$28,571,300</u>	<u>\$14,648,800</u>	<u>\$50,329,500</u>

In addition to the above State Appropriations, it is estimated that \$29,531,800 in additional funds from other sources will be obtained—\$29,325,000 from Hospital Income and Federal Grants, \$206,800 from Federal Grants for Airport Crash Rescue Facility.

University Priorities for FY 1976 Request

The criteria for placing projects in University priority considered the campus priorities in all cases with the general philosophy that those projects which were under construction would receive the highest priority. The next order of priority was for projects which will provide for enrollment increases and program development. This included both new buildings and remodeling of existing facilities. The next order of priority was to provide for planning FY 1977 projects.

Table 2 provides a list of the projects requested in FY 1976 placed in University priority order according to the rationale listed above. Each project is identified by budget category and campus priority. An "H" by the project indicates that it is a health-related project. Of the total \$50,329,500 requested in both Sections I and II, \$28,771,300 (57%) can be attributed to health-related projects.

TABLE 2 — UNIVERSITY OF ILLINOIS FY 1976 CAPITAL PROJECTS IN PRIORITY ORDER

Priority	Campus	Project	Category	CDB	Gen Rev	Other	Accumulated Total
<i>Section I — Special Projects</i>							
1H	MC	University Hospital Replacement	Bldg., Addn Struct	\$20,425,000		\$29,325,000	\$20,425,000
2H	MC	Peoria School of Medicine	Site Development	793,400			21,218,400
3H	MC	Peoria School of Medicine	Funds to Complete		\$164,700		21,383,100
4	UC	Airport Crash Rescue Facility	Bldg., Addn Struct		69,000	206,800	21,452,100
5	UC	Airport Crash Rescue Facility	Utilities		11,000		21,466,100
<i>Section II</i>							
1	UC-1	Speech and Hearing Clinic	Funds to Complete		\$ -40,200		\$ 40,200
2	UC-2	Speech and Hearing Clinic	Equipment	\$ 250,000			290,200
3H	MC-1	9th Floor SUDMP	Remodeling	210,000			500,200
4H	MC-2A	Peoria School of Medicine	Funds to Complete		19,000		519,200
5H	MC-2	Peoria School of Medicine	Equipment	860,200	65,800		1,445,200
6H	MC-3	Rockford School of Medicine	Equipment	491,000			1,936,200
7H	MC-4	Dentistry Building, Phase II	Equipment	150,000			2,086,200
8H	MC-5	Rockford School of Medicine	Utilities	37,800			2,124,000
9H	MC-6	Rockford School of Medicine	Funds to Complete		51,600		2,175,600
10	UC-1	Library Addition	Bldg., Addn Struct	4,187,200			6,362,800
11	UC-4	Library Addition Sewer Relocation	Utilities	115,000			6,477,800
12	UC-3	Library Addition	Equipment	273,800			6,751,600
13	UC-3	Turner Hall Addition	Funds to Complete		2,000		6,753,600
14	UC-4	Law Building Addition	Bldg., Addn Struct	5,783,200			12,536,800
15	UC-5	Law Building Addition	Utilities	498,000			13,034,800
16H	MC-7	School of Public Health	Planning	159,000			13,193,800
17	UC-6	Life Sciences Teaching Laboratory	Planning	93,600			13,287,400
18H	MC-9	College of Medicine — Space Vacated by Dentistry #1	Remodeling	2,461,100			15,748,500
19H	MC-12	College of Medicine — Space Vacated by Dentistry #2	Remodeling	827,200			16,575,700
20	UC-7	Solid Waste Disposal Landfill	Coop Improvements	100,000			16,675,700
21	UC-8	Airport Sewage Treatment	Utilities	56,000			16,731,700
22	UC-9	Architecture Building Safety	Remodeling	262,500			16,994,200
23	UC-10	English Building Renovation	Remodeling	250,000			17,244,200
24	UC-11	Visual Arts Laboratory	Remodeling	162,200			17,406,400
25	UC-12	College of Engineering — Remodeling	Remodeling	250,000			17,656,400
26	UC-13	Central Supervisory Control Center	Utilities	300,000			17,956,400
27	CC-5	Science Engineering Laboratory	Remodeling	929,800			18,886,200
28	CC-6	Science Engineering Laboratory	Equipment	571,600			19,457,800
29H	MC-8	Pharmacognosy and Pharmacology Laboratory	Remodeling	270,000			19,727,800
30	UC-14	Tennis Court Improvements	Site Improvements	44,000			19,771,800
31	UC-15	Library North Court Addition	Bldg., Addn/Struct	1,471,400			21,243,200
32	UC-16	Engineering Library Addition	Planning	41,200			21,284,400
33H	UC-17	Veterinary Medicine	Remodeling	200,000			21,484,400
34	UC-18	Energy Conservation Heating Controls	Remodeling	105,000			21,589,400
35	UC-20	Freer Gym	Remodeling	150,000			21,739,400
36	UC-19	Space Realignment and Renovation Plan FY77	Remodeling	125,000			21,864,400
		Residence Hall Conversion-Plan \$20,000					
		English Building Renovation-Plan 20,000					
		College of Engineering-Plan 20,000					
		Auditorium Roof Replacement-Plan 45,000					
		Veterinary Medicine-Plan 20,000					

TABLE 2 — UNIVERSITY OF ILLINOIS FY 1976 CAPITAL PROJECTS IN PRIORITY ORDER (Cont.)

Priority	Campus	Project	Category	CDB	Gen Rev	Other	Accumulated Total
37H	MC-10	Space Realignment and Renovation Plan FY77	Remodeling	226,000			22,090,400
		Instrument Shop Laboratory-Plan \$22,000					
		Basement & 1st Floor SUDMP-Plan 60,000					
		Research & Library Building-Plan 23,000					
		2nd Floor Old Illini Union-Plan 26,000					
		Air Condition Pharmacy-Plan 63,000					
		5th Floor-General Hospital-Plan 10,000					
		General Services Building-Plan 22,000					
38	CC-7	Academic Building (Reprogrammed COSSB)	Planning	195,000			22,285,400
39	UC-21	Abbott Power Plant Chimney	Utilities	565,000			22,850,400
40	UC-22	Miscellaneous Remodeling Projects	Equipment	205,000			23,055,400
41H	MC-11	University Security and Fire Alarm	Remodeling	175,000			23,230,400
42H	MC-14	Rockford School of Medicine	Site Improvements	282,500			23,512,900
43	UC-23	Agriculture Replacement Land	Land	200,000			23,712,900
44	UC-24	Boneyard Creek Channel	Coop Improvements	60,000			23,772,900
45	UC-25	Campus Landscape Improvements	Site Improvements	75,000			23,847,900
46	UC-26	Nuclear Reactor Lab Addition	Bldg, Addn/Struct	1,659,600			25,507,500
47	UC-27	Nuclear Reactor Lab Addition	Utilities	175,500			25,683,000
48	UC-28	Botany Greenhouse	Planning	29,000			25,712,000
49H	MC-15	Interconnect Chilled Water Lines	Remodeling	207,000			25,919,000
50	CC-8	Stack Emission Control System	Utilities	375,000			26,294,000
51	UC-29	Animal Room Improvements	Remodeling	245,000			26,539,000
52	UC-30	Electrical Modernization	Remodeling	65,000			26,604,000
53	UC-31	Residence Hall Conversion	Remodeling	400,000			27,004,000
54	UC-32	Campus Water Main Extension — Plan	Utilities	25,500			27,029,500
55	UC-33	Turner Hall Addition	Equipment	200,000			27,229,500
56	UC-34	Peabody and Pennsylvania Street Improvements	Site Improvements	274,000			27,503,500
57	UC-35	Coble Hall Improvements	Remodeling	125,000			27,628,500
58	UC-36	Steam Tunnel Improvements	Utilities	50,000			27,678,500
59	UC-37	Mathews Street Improvements	Coop Improvements	27,900			27,706,400
60	CC-9	Building Equipment Automation	Utilities	309,000			28,015,400
61	CC-10	Space Realignment — Plan for FY77	Remodeling	50,000			28,065,400
62H	MC-17	Pharmacy Laboratories — Room 200	Remodeling	140,000			28,205,400
63H	MC-22	OSHA Corrections	Remodeling	100,000			28,305,400
64H	MC-23	Building Equipment Automation	Remodeling	105,000			28,410,400
65H	MC-24	Liquid Storage Facility	Bldg, Addn/Struct	50,000			28,460,400
66	CC-11	Exterior Campus Lighting, Phase II	Site Improvements	60,000			28,520,400
67H	MC-27	Air Condition Third Floor FUDMP	Remodeling	100,000			28,620,400
68	CC-12	Campus Graphics — Exterior	Site Improvements	43,000			28,663,400
69H	MC-30	Correct Building Code Violations	Remodeling	100,000			28,763,400
70H	MC-31	Pharmacy Offices	Remodeling	100,000			28,863,400
TOTAL SECTION 1 AND SECTION 2				\$49,903,200	\$426,300	\$29,531,800	\$50,329,500

TABLE 3 — PROPOSED PROGRAMMING OF REQUESTS FOR BUILDING PROJECTS LISTED IN FY 1976 (STATE FUNDS ONLY)
(In Thousand Dollars)

	Total Cost	Authorized Prior to FY 1976	Request FY 1976	Programmed Request for FY 1977	Programmed Request for FY 1978 and Beyond
<i>Chicago Circle</i>					
Library Addition	\$ 5,986.9	\$ 1,280.0 ¹	\$ 4,576.0	\$ 130.9	
Academic Building	9,700.0		195.0	9,505.0	
<i>Medical Center</i>					
Dentistry Building, Phase II	\$ 12,563.6	\$ 12,413.6	\$ 150.0		
Peoria School of Medicine	8,700.6	6,816.5	1,884.1		
Rockford School of Medicine	5,833.3	4,970.4	862.9		
Hospital Replacement	30,000.0 ²	1,750.0	20,425.0	\$ 7,825.0	
School of Public Health	9,828.3		159.0	9,669.3	
Liquid Storage Facility	50.0		50.0		
<i>Urbana-Champaign</i>					
Speech and Hearing Clinic	\$ 2,511.3	\$ 2,151.1	\$ 290.2	\$ 70.0	
Turner Hall Addition	8,276.7	7,227.1	202.0	847.6	
Law Building Addition	7,106.3	228.1	6,281.2	423.0	\$ 174.0
Library North Court Addition	1,621.4		1,471.4	80.0	70.0
Nuclear Reactor Lab Addition	2,204.3		1,835.1	200.0	169.2
Airport Crash Rescue Facility	90.5 ³		83.0	7.5	
Life Sciences Teaching Lab	6,289.7		93.6	5,819.6	376.5
Engineering Library Addition	2,252.1		41.2	1,952.9	258.0
Botany Greenhouse	1,716.3		29.0	1,615.8	71.5
TOTAL	\$114,734.3	\$36,839.8	\$38,628.7	\$38,146.6	\$1,119.2

¹ This amount has been approved by the General Assembly.

² This represents the State's portion of the funding. The total cost will be \$60,000,000.

³ This represents the State's portion of the funding. The total cost will be \$297,300.

Implications of Approval of FY 1976 Projects Relating to Buildings

The time required for completion of a building project from planning through occupancy will depend upon the size and complexity of the project. In general, the time will vary from one year for a very small project (\$100,000) to four years for a large project (over \$5,000,000). The approval of funds for planning a building project will have an impact on the budget requests for succeeding years. Table 3 — Proposed Programming of Request for Building Projects Listed in the

FY 1976 Budget (State Funds Only) — provides an indication of the status of existing building projects and the implication of the additional funds that will be required in future budget years to complete the projects.

Copies of the document, *University of Illinois Budget Request for Operating and Capital Funds, Fiscal Year 1976*, may be examined in the offices of heads of departments.

Legislative and Administrative Actions re Retirement System Operations

Edward S. Gibala, Executive Director of the State Universities Retirement System, sent the following report on actions taken by the General Assembly and the Trustees of the State Universities Retirement System concerning operations of the system to presidents of colleges and universities and heads of other agencies covered by the system.

Of special note is the second item of the report, "Increase in Prescribed Rate of Interest," regarding the increase of the rate of interest from 4½ per cent to 5 per cent, effective September 1, 1974, and would be of particular importance to participants who are paying for prior Illinois service or for other public employment.

This is the report:

Revised Employer Contributions on Earnings Paid from Federal and Trust Funds

Effective *September 1, 1974*, employers should submit to the State Universities Retirement System, employer contributions of *11.27 per cent* of earnings paid from Federal and Trust funds. The charge will be reduced beginning that date from *11.61 per cent*. The reduction is due mainly to an increase by the Actuary of the interest assumption from *4½ per cent* to *5 per cent*.

Increase in Prescribed Rate of Interest

The Trustees of the System approved the recommendation of the System's Actuary that the prescribed rate of interest to be used in actuarial valuations and preparation of annuity tables be increased from *4½ per cent* to *5 per cent* effective *September 1, 1974*. The prescribed rate of interest is based

upon long-term investment predictions and is not necessarily the rate of interest which is to be credited to the employee accounts at the end of each year.

Under the provisions of the Illinois Pension Code, payment by the employee for prior Illinois service and for other public employment is based upon the prescribed rate of interest which is in effect on the date that the payment is received. Consequently, if an employee defers his payment beyond August 31, 1974, his cost for such service could be increased substantially, depending upon the number of years which elapses from the date he became a member to the date he makes his payment. For example, if a person became a member twenty years ago at an annual salary of \$5,000, his payment for ten years of other public employment would be increased from about \$9,646 to \$10,613, if he defers his payment until September 1, 1974. Thus, he could save about \$967 by paying for the additional service before September 1, 1974.

The savings in interest cost is not the only reason why it may be advantageous to pay for other public employment as early as possible. Under legislation which was approved in 1971, there is a *guarantee* that the survivors annuity shall be at least *50 per cent* of the annuity earned by the member's service and earnings credits, calculated on the assumption that he is age sixty on the date of death. Thus, a point is reached when payment for additional service will increase the survivors insurance protection for the member's spouse, children under age eighteen or dependent parent.

Increase in Rate of Interest to Be Credited to Employee Accounts

In view of the continued increase in the return on investments, the Trustees of the State Universities Retirement System have agreed to credit interest for the fiscal year ending August 31, 1974, of *8 per cent* on the balance in the participant's account on September 1, 1973. This includes 6 per cent to cover distribution of investment income earned during the year plus an additional 2 per cent as partial distribution of income earned in prior years in excess of the amount distributed. (Prior to 1973, the Retirement System was prohibited by statute from crediting interest in excess of $4\frac{1}{2}$ per cent.)

The statute provides that if a participant resigns and elects to withdraw his contributions in a lump sum, he must forfeit the interest credited to his account which is in excess of $4\frac{1}{2}$ per cent. We are attempting to secure legislation which would enable a participant to receive full refund of the interest credits. When a member withdraws from the System, he loses the *employer* contributions. There appears to be little or no justification for forfeiture by the participant of a portion of the interest earned on his contributions. House Bill 2554, which was introduced by Representative Hirschfeld on April 17, 1974, would authorize the System to include full interest on refunds. No action was taken on this Bill during the spring legislative session and none is anticipated until the 1975 legislative session.

Amount to Include in Appropriation Request for FY 1976

The Actuary for the State Universities Retirement System has certified that the *minimum* employer contribution required by the "Illinois Pension Code" for FY 1976 is *16.41 per cent* of that portion of salaries covered by the State Universities Retirement System, and the Trustees of the System have approved this rate. Therefore, the college and university governing boards and other agencies covered by the System should include this amount for employer contributions in the State budget request for the fiscal year ending June 30, 1976. The appropriations for retirement contributions covering the

community colleges are requested by the Illinois Community College Board; therefore, the individual community colleges need take no action concerning this matter other than to support the request of the Community College Board.

Credit for Prior Military Service

You may recall the correspondence during the past year concerning SB 634, which would (1) limit the type of prior public employment which can be used by *new* employees in purchasing additional service credit under the State Universities Retirement System, and (2) set *September 1, 1974* as the deadline for filing an application to purchase additional credit based on prior military service. The initial deadline in the Bill on applying for purchase of military service credit was September 1, 1973. The Pension Laws Commission later agreed to extend the deadline until January 1, 1974, and the sponsor of the Bill subsequently agreed to postpone the deadline until July 1, 1974. The Senate-House Conference Committee, which was appointed to resolve the differences in the Senate and House versions of the Bill decided that *September 1, 1974*, would be a more appropriate date. The Senate and House adopted the Conference Committee report, and the Bill is now awaiting action by the Governor.

We have received word that the Illinois Federation of Teachers has suggested that its members urge the Governor to veto the Bill. In view of the extension of the deadline on filing to September 1, 1974, the Retirement System has recommended that the Governor approve the Bill. The deadline applies only to the filing of the application for military service credit; it *does not require payment by that date*. The members have been given ample time to file the application. Those who are interested in purchasing the additional credit should have met the filing requirement by this time.

Report on Employer Retirement Contributions for FY 1975

The *minimum* amount which the General Assembly should have appropriated for FY 1975 to meet the statutory requirements is \$83,625,800. The Governor's Budget included only \$25,004,600, which was slightly less than the amount required to meet the State's share of the estimated benefit and expense payments. The General Assembly appropriated \$28,939,820 which was \$3,935,220 more than the amount which was included in the Governor's Budget but \$54,635,980 less than the *minimum* required by statute.

The *minimum* appropriation mandated by the statute is the normal cost required to cover the pension benefits earned by all employees during the year plus interest on the unfunded liabilities for past service. This is also the standard which the Federal Internal Revenue Service has used in the past in determining whether a *private* pension plan is "qualified," and which the House Ways and Means Committee had recommended as a standard for *government* pension plans under the Pension Reform Bill of 1974. It is unlikely that the final version of the Pension Reform Bill will require immediate disqualification of a *government* pension plan, if it fails to meet this minimum funding requirement; however, the Reform Bill of 1974 (H.R. 2) mandates a study of state and local government pension plans. Washington sources say the study will not be an academic exercise, but the first step toward eventual legislation which will set minimum funding, vesting, and participation standards for state and local pension plans.

Inquiries to the *Faculty Letter* may be directed to the editor, Lucille Turigliatto, 272c Administration Building, Urbana. Telephone 333-6502.

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FACULTY LETTER

FROM THE OFFICE OF THE PRESIDENT · UNIVERSITY OF ILLINOIS

No. 297 August 28, 1974
SEP 12 1974

Summary of University's Operating Budget Request for FY 1976

On July 17, 1974, President John E. Corbally Jr. presented the University's operating budget request for FY 1976 (July 1, 1975-June 30, 1976) to the Board of Trustees. In his preface to the request, President Corbally stressed the adverse effects of inflation upon the University and also noted that the requests contained no funds for new programs other than for the continuation of the planned expansion of programs in the health professions. He also stated that the request contains no funds for either personnel or operations beyond those needed to attempt to meet inflationary pressures. The request requires increased support of approximately 12 per cent above the appropriations for FY 1975 if program expansion in the health professions is included and of approximately 10 per cent above 1975 appropriations if this expansion is excluded.

A summary of the new funds requested is as follows —

FY 1976 Operating Budget Request (Thousands of Dollars)	Per Cent of Request
Personal Services — 9.5%	\$15,537.5 59.24
Price Increases	
General — 11%	\$2,632.6
Utilities	1,640.3
	4,272.9 16.29
Opening New Buildings.....	277.9 1.06
Health Professions	
Medical Center	\$3,940.6
College of Veterinary Medicine	200.0
	4,140.6 15.79
Programmed Elimination	
of Deficiencies	\$ 2,000.0 7.62
FY 1976 Request.....	\$26,228.9 100.00
Separate Items	
Veterinary Diagnostic Laboratory..	\$ 33.9
Division of Services for Crippled Children.....	1,059.7
Remodeling Projects	
Under \$100,000	462.5
Cooperative Extension Service.....	174.8
Total All Items.....	\$27,959.8

stated in the Scope and Mission document, under continuous analysis, will change from time to time as a result of economic and demographic conditions. The following projections contained in the FY 1976 operating budget request are based on current conditions —

1. Inflation impact on salaries — 9.5%.
2. Inflation impact on expenses — 11.0%.
3. Enrollment — From a summary of enrollments from FY 1975 to FY 1980 by student level for each of the three campuses, the following basic assumptions are made:
 - a. A base enrollment level of 18,200 students is planned for the Chicago Circle Campus, with a significant shift in student program and level. The reduction in total enrollment will be matched with the changing mix and programs to alleviate the need for additional funds.
 - b. Continued increase of approximately 350 students per year at the Medical Center Campuses.
 - c. A stable enrollment of approximately 34,000 students at the Urbana-Champaign Campus.
4. Alleviation of deficiencies over a six-year period at an annual funding level of \$2,000,000.

To evaluate the effects of inflation on staff members of the University of Illinois, estimates were made for varying income levels at Urbana-Champaign, Chicago, and the United States as a whole. Inflation rates by location and income group are shown below.

INFLATION RATES BY INCOME LEVEL AND LOCATION

	Income Level by Percentage				
	Income \$7,000	Income \$12,000	Income \$17,000	Income \$22,000	Income \$30,000
	<i>Estimate by U of I</i>				
<i>Urbana-Champaign</i>					
All 1973	10.1	9.6	9.4	9.1	9.0
Most Recent Quarter	9.8	9.8	9.8	9.7	9.7
<i>Chicago</i>					
All 1973	10.3	9.7	9.4	9.4	9.2
Most Recent Quarter	9.9	10.1	10.0	10.1	10.0
<i>United States</i>					
All 1973	10.3	9.8	9.5	<i>No Estimate Made</i>	
Most Recent Quarter	9.9	10.0	10.0		

The operating budget presentation is based upon the *Scope and Mission of the University of Illinois*, presented to the Board of Trustees on May 15, 1974, as well as the continuous review of the base deficiencies. The basic assumptions

In order that staff members of the University might even partially retain the purchasing power of their salaries, the University must receive the requested salary increase money for FY 1976. The total amount of incremental money necessary for such an increase is \$15,537,500.

The University of Illinois now is paying much higher prices for the supplies which it purchases throughout the year. To retain a purchasing power roughly equivalent to that presently in effect, an 11 per cent increase in funds used to purchase goods and contracted services is necessary. The 11 per cent increase is based upon a conservative analysis of the effects of inflation on the State appropriated object-of-expenditure categories, i.e., travel, equipment, contractual services, commodities, telecommunications, and operation of automotive equipment. From FY 1971 to FY 1974 the purchasing power of the dollar used to purchase goods in these six categories has changed so that \$1.33 today is necessary to purchase those goods which \$1.00 would buy in FY 1971. The total incremental dollars necessary to fund the 11 per cent increase are \$2,632,600.

Utility price increases have risen considerably. It is estimated that at Chicago Circle the FY 1976 price of fuel oil will be 45 cents per gallon and the price of electricity will increase 10 per cent. A similar increase in the cost of electricity is anticipated for FY 1976 at the Medical Center and Urbana Campuses. In addition, the price of natural gas at Urbana-Champaign is expected to increase approximately 20 per cent in January 1975.

No new buildings are scheduled to open in FY 1976, but funds are requested to annualize funds for three buildings opened in FY 1975 (\$277,851). The FY 1976 request represents that portion of the operating cost which was not requested in FY 1975.

The Medical Center Campus will require for FY 1975-76 the amount of \$3,940,600 to continue its planned expansion of health-related programs by 350 students. This amount includes funds required for the growth of the School of Basic Medical Sciences at Urbana-Champaign and the continued development of clinical schools at the regional locations. An FY 1976 request of \$200,000 is also necessary to provide supplemental instructional funds for students supported by federal capitation funds at the College of Veterinary Medicine in Urbana.

Regarding programmed elimination of deficiencies, each campus has identified the area in which needs are most pressing: Chicago Circle — Library; Medical Center — Library; Urbana-Champaign — Equipment. Although the total need in FY 1976 is \$13,497,800, the University has decided that a reasonable recovery program of these needs would be at a rate

of \$2,000,000 per year. Base deficiencies, which are of a recurring nature, are scheduled for recovery in three years if considered by campus administrators to be the top campus priority, and six years if not. The non-recurring deficiencies are scheduled for recovery in nine years. The \$2,000,000 is required in FY 1976 to partially offset underfunding which has occurred since FY 1971.

SEPARATE ITEMS

The Division of Services for Crippled Children (DSCC) is the official state program for services to handicapped children. Although this program is located at the Medical Center Campus and has in the past been considered a public service administered by the University of Illinois, its budgetary treatment since FY 1975 is separate from the base operating budget of the University. The budget request for the Division of Services for Crippled Children is \$1,059,700, to be employed for personal services, price increases, hospitalization and medical care, and increases in staff positions.

The College of Veterinary Medicine has administered and operated the Urbana Diagnostic Laboratory on contract with the Illinois Department of Agriculture. The contract for FY 1975 will be \$261,550. The College has also been contracted by the Illinois Department of Agriculture to conduct research on diseases of swine and cattle; in FY 1973 and FY 1974 \$102,000 was appropriated for this contract. The University has provided support for these areas by contributing physical facilities and manpower (\$128,000 in FY 1974). In order to assure the continuance of these activities, \$33,900 in funds is requested.

For FY 1976 the Illinois Board of Higher Education has instructed that remodeling projects under \$100,000 be included in the operating budget request as an identified non-recurring item. Ten such projects have been identified. All are for the Urbana-Champaign Campus, amounting to \$462,500.

A request of \$174,800 has been submitted for the Cooperative Extension Service (fifteen counties in southern Illinois) in order to intensify the work with low-resource farmers; to provide two area livestock development advisors to support the statewide objective of developing the livestock industry further in light of current needs; and to meet an increase in mileage reimbursement for field staff.

Copies of the document, *University of Illinois Budget Request for Operating and Capital Funds, Fiscal Year 1976*, can be found in the offices of head of departments.

Recent Actions re State of Illinois Group Health and Life Insurance

The following special notice has been issued by the University's Insurance Office regarding an open enrollment period for insuring dependents and an increase in premiums under the State Plans and the University Plans of the University's Health Insurance Program. The special open enrollment period for the State Plans ends September 8.

The State Department of Personnel awarded the health insurance contract for the policy year July 1, 1974 to July 1, 1975, to the Blue Cross-Blue Shield organization.

The group life insurance contract with Crown Life Insurance Company was continued at the same premiums.

HOUSE BILL 2848

The "State Employees Group Insurance Act of 1971" was amended to provide:

1. An open enrollment under the State Plan.
2. A contribution toward any increase in the cost of purchasing dependent health insurance will be paid by the State provided the increase became effective on or after July 1, 1974. The contribution is limited to the actual amount of the increase in premium or \$7.00 per month, whichever is less.

Note: The contribution will also be applicable to any in-

crease in the cost of the University Plan (Continental Assurance Company).

OPEN ENROLLMENT

A special open enrollment period will be conducted during which time you may insure your dependents under the health insurance programs without evidence of insurability. You may also purchase optional life insurance under the State Plan on the same basis.

	<i>Open Enrollment Period</i>	<i>Effective Date of Coverage</i>
State Plans (Blue Cross-Blue Shield)	August 8, 1974 to September 8, 1974	October 1, 1974
University Plans (Continental Assurance Company)	November 1, 1974 thru November 29, 1974	January 1, 1975

PREMIUMS FOR 1974-75

University Plan (Continental Assurance Company) — The premiums for the dependent health and dental insurance were established on January 1, 1972, and despite the increased cost of medical care, there has been no adjustment in the premiums. An adjustment is now required to continue the coverage through 1975. Although the amount of the increase has not been finalized it is anticipated the cost will not exceed the maximum contribution of \$7.00 per month now authorized by the State. This will mean that *your cost* of insurance under the University Plan will remain the same if you are eligible for the contribution.

State Plan (Blue Cross-Blue Shield) — Effective July 1,

1974, there was an adjustment in the premiums for some of the plans available through the State and the changes are outlined below:

	<i>A</i> <i>Prior to 7-1-74</i>	<i>B</i> <i>Effective 7-1-74</i>	<i>C</i> <i>State Contribution*</i>	<i>D</i> <i>Your Cost</i>
Employee.....	\$15.60	\$22.60	— \$22.60	= \$ -0-
Dependents under 65, or over 65 and ineligible for Medicare				
High Option —				
1 dependent	18.20	26.00	— 7.00	= 19.00
2 or more dependents.....	34.70	42.50	— 7.00	= 35.50
Low Option II —				
2 or more dependents.....	18.10	21.08	— 2.88	= 18.10
Dependents 65 Years or over Eligible for Medicare				
High Option —				
1 dependent	10.66	9.90	— -0-	= 9.90
2 or more dependents.....	22.68	19.50	— -0-	= 19.50
Low Option I — 1 dependent...	4.38	4.78	— .40	= 4.38
Low Option II — 1 dependent...	2.90	4.20	— 1.30	= 2.90
Sponsored Dependents	11.02	13.02	— 2.00	= 11.02

* You must be eligible for the State-paid Basic coverages to receive the contribution. If you are on leave of absence without pay or otherwise eligible to continue the basic coverage at your own expense, your cost will be those listed in Column B.

Premiums for plans not listed above remain the same as outlined in the State Booklet for 1973-74.

Contact the Insurance Office on your campus to enroll dependents during the open enrollment period or if you have any questions relating to the group health and life insurance programs.

Revision of University Statutes re Graduate Work of Academic Staff Members

Upon recommendation of President Corbally, the Board of Trustees at its July meeting approved a revision of the University Statutes in regard to graduate work of academic staff members.

This was the President's presentation to the Board:

Article IV, Section 7, of the University Statutes provides that no person may be a candidate for an advanced degree at the University who also holds an appointment as an assistant professor, associate professor, or professor at the University. The intent of the language, which is identical to that contained in the 1957 version of the Statutes, was to prevent conflict of interest between members of the academic staff of professional rank when one is also, at the same time, a candidate for a degree.

Developments within the University since 1957, particularly in graduate faculty and degree programs at the Chicago Circle Campus, have made it likely that a professional staff member might pursue an advanced degree in a department on another campus of the University without prejudicing the objectivity of the latter. In order to allow such action, I recommend that the Board approve provisionally the following revision in Article IV, Section 7, of the Statutes (new language is italicized; deletions are in parentheses) :

No person shall be admitted to candidacy for an advanced degree (who) on a campus of the University if he holds an appointment as professor, associate professor, or

assistant professor in any department or division of that campus of the University. Any person engaged in graduate study who accepts an appointment with the rank of assistant professor or higher at a campus of the University will be dropped as a degree candidate at (this) that campus of the University.

The Chancellors at the three campuses and the Vice President for Academic Development and Coordination concur in this recommendation.

In accord with the procedures for amendment of the Statutes, this recommendation, if approved, would be submitted to the Senates and the University Senates Conference for their advice and subsequently submitted to the Board for final action.

Attention — Academic Staff Retirees

Members of the academic staff who have retired or are about to retire and who have not been contacted about receiving the *Faculty Letter* during retirement (if they wish) are asked to send their name and address to the editor, Lucille Turigliatto, 272c Administration Building, Urbana, Ill. 61801. Or phone 333-6502.

Formal Decentralization of the Jane Addams School of Social Work

Another action of the Board of Trustees at its July meeting was the approval of the recommendation for establishment of two separate schools for the Jane Addams School of Social Work, one at the Urbana-Champaign Campus and one at the Chicago Circle Campus where the program is now conducted.

Here is the text of the recommendation:

In March, 1970, the Board of Trustees approved a recommendation of the Executive Committee and the entire faculty of the Jane Addams Graduate School of Social Work¹ that "two separate Schools be established, with the Urbana-Champaign and Chicago Circle programs being conducted under the legislative jurisdiction of the respective Senates of these two campuses." While under the plan there was to be a single director and a common Executive Committee, "proposals relating only to the Chicago Circle school would be sent to the Chancellor and thence to the Senate at that campus for review and approval; recommendations involving only the Urbana-Champaign program would be sent to the Chancellor and senate at that campus. . . . Neither the Chancellor nor the Senate at a given campus would be bound by actions taken by the Chancellor or the Senate at the other campus."

The administration of the Jane Addams School of Social Work is presently the responsibility of the Urbana-Champaign Campus, with faculty and students on both the Urbana-Champaign and Chicago Circle Campuses. Over the years, both divisions of the School have grown in enrollment and developed significantly in a programmatic sense. This growth and development of maturity means that the Chicago division no longer depends on or receives direction from the Urbana division. Much of the joint effort of previous years no longer exists and the two divisions have developed along different paths. This has been viewed as appropriate in view of the different but complementary campus missions and the difference in population served.

In the past several years, the two divisions have achieved integration within the academic affairs of the individual campuses. In practice, budgetary decisions involving each campus

¹ By Board of Trustees action on June 20, 1973, the word "Graduate" was deleted from the name of the School concurrent with the introduction of the new Bachelor of Social Work programs into the Chicago Circle and Urbana-Champaign divisions of the School.

division have been made separately by each Chancellor. In addition, recommendations as to promotion and retention of faculty within the two divisions have been transmitted separately by each Chancellor to the President. Both the old M.S.W. degree and the new B.S.W. degree offered by each division of the School are of concern to each campus senate and the senate of each campus certifies to the Board of Trustees those students who have successfully fulfilled requirements for the degrees. The relatively new doctoral program was approved by the Board of Higher Education as a joint program between the campuses. Except in this last instance, each division has been acting, in fact, as an autonomous unit with an appropriate amount of inter-campus consultation.

In the light of these developments, the Chancellors have now recommended the following steps to formally decentralize the School (the changes would be effective September 1, 1974):

1. the establishment of the Jane Addams School of Social Work at Urbana-Champaign and the Jane Addams School of Social Work at Chicago Circle as administratively independent schools reporting to the respective chancellors;
2. the appointment of Professor Mark Hale, presently Director of the Jane Addams School of Social Work, as Director of the Jane Addams School of Social Work at Urbana-Champaign and the appointment of Professor George Magner, presently Associate Director of the Jane Addams School of Social Work, as Director of the Jane Addams School of Social Work at Chicago Circle;
3. the establishment of a joint faculty committee appointed by the Vice President for Academic Development and Coordination in consultation with the Chancellors to advise him on the nature and extent of the interaction of the two Schools with advice as to changes, if any, which would be in the best interests of both Schools and the University;
4. a charge to the present faculty doctoral committee to recommend in 1974-75 whether the joint doctoral program is in the best interests of the Schools or whether it should be replaced by separate doctoral programs.

The Vice President for Academic Development and Coordination endorses this recommendation.

New Director of University Office for Capital Programs

With the retirement of Vernon L. Kretschmer this month as Director of Capital Programs in the University Office for Capital Programs, the Board of Trustees approved the appointment of Joseph Frederick Green to succeed him. Mr. Green has been Associate Director of Capital Programs since 1972.

Mr. Kretschmer has served the University in many capacities since his appointment as Illini Union Building Manager in January, 1940, including directorship of the Illini Union, Housing, Auxiliary Services, and Plant and Services.

Mr. Green, a native of Mattoon, attended the University briefly in 1944 before entering the United States

Maritime Service. He was graduated from the U.S. Military Academy in 1950 and served in the U.S. Air Force for four years. He was engaged in field engineering in Illinois and California and as project manager for development of Lincoln Square in Urbana for Carson, Pirie, Scott and Company before joining the University staff in 1967 as assistant to the Director of the Physical Plant. He served as Campus Director of Physical Plant Planning for Chicago Circle Campus during 1968-1972.

Inquiries to the *Faculty Letter* may be directed to the editor, Lucille Turigliatto, 272c Administration Building, Urbana. Telephone 333-6502.

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FACULTY LETTER

FROM THE OFFICE OF THE PRESIDENT · UNIVERSITY OF ILLINOIS

No. 251, October 16, 1974

Changes in University Policies on Transfer of Sick Leave, Vacation Credit

President John E. Corbally Jr. sent the following letter to the three Chancellors in regard to changes in University policies applying to the transfer of sick leave and vacation credit of staff members, academic and non-academic:

CHANCELLOR BEGANDO
CHANCELLOR CHESTON
CHANCELLOR PELTANO

Gentlemen:

On June 25, 1974, I wrote you seeking your advice on recommendations I had received from the Special Committee on Professional Personnel concerning changes in University policies related to the transferability of sick leave and vacation credit. I have now received from each of you support for the recommendations. Accordingly, the following policies now have my approval and should be put in force immediately.

I. Transfer of Sick Leave Credit

- A. Sick leave credit will be transferred when a staff member changes to an academic appointment from a non-academic position within the University.

Under the current academic disability leave provisions, it is provided that a staff member may accumulate up to six months of sick leave credit. An employee transferring from nonacademic status to academic status may transfer *all* accumulated sick leave credit, but should that credit exceed the allowable maximum, no further sick leave may be accumulated. If the credit transferred is less than allowable maximum, additional sick leave may be accumulated up to that amount.

This policy is to be effective upon approval and is to cover current academic employees who in past years have transferred from nonacademic to academic status. All transfers of sick leave credit require the presentation of appropriate records verifying sick leave accumulated under the nonacademic system.

- B. Sick leave credit will be transferred when a staff member changes to a nonacademic appointment from an academic position within the University.

This policy is to be effective upon approval and is to

cover current nonacademic employees who in past years have transferred from academic to nonacademic status. All transfers of sick leave credit require the presentation of appropriate records verifying sick leave accumulated under the academic system.

II. Transfer of Accumulated Vacation

- A. When an employee transfers from a nonacademic position to an academic position, any vacation earned under the nonacademic system will ordinarily be taken or paid for by the employing nonacademic unit before the employee transfers to the academic position.

In cases in which the employee prefers vacation time but taking it prior to transfer would create a hardship, arrangements may be made for transfer of all or part of the accumulated vacation provided that these arrangements are acceptable to the two administrative units and the employee. In no case can a transfer of accumulated vacation result in a loss of accumulated benefits, except that at the time a staff member retires, resigns, or otherwise terminates his employment with the University his accumulated vacation may not exceed 46 working days.

- B. When an employee transfers from an academic position to a nonacademic position, any vacation earned under the academic system will ordinarily be taken or paid for by the employing academic unit before the employee transfers to the nonacademic position.

In cases in which the employee prefers vacation time but taking it prior to transfer would create a hardship, arrangements may be made for transfer of all or part of the accumulated vacation provided that these arrangements are acceptable to the two administrative units and the employee. In no case can a transfer of accumulated vacation result in a loss of accumulated benefits, except that at the time a staff member retires, resigns, or otherwise terminates his employment with the University his accumulated vacation may not exceed that provided for in the *Policy and Rules—Nonacademic*.

JOHN E. CORBALLY JR.
President

Administrative Changes at the Chicago Campuses

The Board of Trustees at its September 18 meeting approved an administrative reorganization at the Medical Center Campus, the subsequent appointment of a Vice Chancellor for Administrative Services at that campus, and the appointment of a Director of Business Affairs to serve both the Medical Center Campus and the Chicago Circle Campus.

In regard to the reorganization at the Medical Center, this was President Corbally's recommendation:

The revision of the general administrative structure of the University approved in principle by the Board of Trustees on April 19, 1972, and the substantial expansion, both achieved and anticipated, of the programs and services offered by the Medical Center Campus are the primary reasons for recommending an administrative reorganization at the Medical Center Campus at this time.

The focus of the proposed reorganization is upon a decentralization of the current responsibilities undertaken by the Office of the Chancellor. Central to the plan is the inclusion of three Vice Chancellors in the administrative structure:

1. the Vice Chancellor for Academic Affairs
2. the Vice Chancellor for Administrative Services
3. the Vice Chancellor for Health Services

The Office of the Vice Chancellor for Academic Affairs will be established in accordance with the University of Illinois *Statutes* which contain the following:

"Article III, Section 1(e): There shall be a vice chancellor for academic affairs or equivalent officer at each campus. He shall be the chief academic officer, under the Chancellor, for the campus and will serve as chief executive officer in the absence of the Chancellor. He shall be appointed biennially by the Board of Trustees on recommendation of the Chancellor and the President, who shall have the advice of the Senate on the occasion of each appointment."

Upon approval of the plan for the reorganization, a search for candidates will be conducted. In due course a recommendation for appointment of a person to fill the position of Vice Chancellor for Academic Affairs will be brought to the Board of Trustees.

Establishment of the Office of the Vice Chancellor for Administrative Services will permit the Office of the Chancellor to delegate the responsibility for several units providing important supporting services. A recommendation for appointment of the Vice Chancellor for Administrative Services is included among the agenda items to come before the Board at this meeting.

The Office of the Vice Chancellor for Health Services now exists. Thus, only a further definition and clarification of the role of the Vice Chancellor for Health Services is involved in the current proposal.

The Chancellor at the Medical Center recommends approval in principle by the Board of Trustees. The Vice President for Planning and Allocation and the Vice President for Academic Development and Coordination concur.

Vice Chancellor for Administrative Services

Following Board approval of the reorganization President Corbally then recommended that David W. Bonham, Director of Business Affairs at the Medical Center, be named Vice Chancellor for Administrative Services, effective October 1, 1974.

Initially the Vice Chancellor will have administrative jurisdiction over the Physical Plant Department, the Office of Business Affairs (this office reports to the Vice President for Planning and Allocation but functions in the service of the Medical Center Campus), the Personnel Services Office, the Campus Services Division, the Office of Administrative Data Processing, the Safety Office, and such other administrative service units as the Chancellor may assign from time to time.

He will report directly to the Chancellor on policy matters related to the units under his administrative jurisdiction, and provide budget allocations and policy guidelines for those administrative units reporting to him.

Mr. Bonham, a native of Galesburg, is an alumnus of the University and a veteran of the U.S. Navy. He worked summers for the Illinois State Geological Survey during student years and following graduation in 1950 was a systems analyst for the U.S. Rubber Company at Mishawaka, Ind. In 1953 he joined the University staff at Urbana as a senior accountant, became a procedures and systems analyst, then assistant to the auditor before moving to the Medical Center Campus in 1964 as assistant to the business manager. He became business manager in 1965 and Director of Business Affairs in 1968.

Director of Business Affairs, Chicago Campuses

With the installation of a single payroll system for all three campuses, a single budget/accounting system now is being implemented. To further this administrative consolidation, the Board of Trustees approved the naming of a single Director of Business Affairs to serve both Chicago campuses. He will report directly to the Vice President for Planning and Allocation.

James E. Osborn, Director of Business Affairs at Chicago Circle since 1969, has been appointed Director of Business Affairs for the Chicago campuses. A native of Pana, he received a Bachelor's Degree from the University in 1938 and served in the Navy during 1941-45 and again in 1951-53. He owned and operated the Southern Tea Room in Champaign for a year before his Navy service. He joined the University staff in 1945 as senior purchasing assistant, became purchasing agent for the Galesburg Undergraduate Division the following year, then served successively as acting assistant director of purchases, assistant director, and finally director at Urbana before going to Chicago in 1961 as business manager of the Chicago Colleges and Divisions. He was named business manager at Chicago Circle in 1965.

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FACULTY LETTER

FROM THE OFFICE OF THE PRESIDENT · UNIVERSITY OF ILLINOIS

No. 252, October 25, 1974

*The Initiation, Review, and Approval of New Units of Instruction**

OFFICE OF VICE PRESIDENT FOR ACADEMIC DEVELOPMENT AND COORDINATION

At the University of Illinois the Senates determine matters of educational policy, subject to final approval by the Board of Trustees. Administrative officers throughout the University structure — from the department head to the President — participate directly in the formulation of such policy through the allocation of budget and space, through recommendations to the Board of Trustees concerning faculty proposals for new programs, and through the initiation of suggestions for appropriate review.

The purpose of this memorandum is to describe the review process by which faculty proposals for new units of instruction are approved for implementation. Established University policy and regulations of the Illinois Board of Higher Education which influence the process are described. The nature of responsibilities delegated to the various participants in the review process is discussed, with attention to the rationale behind the particular assignment of responsibility. The final section details the procedures instituted for the orderly and timely processing of proposals subsequent to approval by the Senate.

POLICY STATEMENTS

Senate proposals are implemented with the concurrence of the President, usually in consultation with the Secretary of the Board of Trustees and with the Vice President for Academic Development and Coordination. The President takes action on recommendations routinely forwarded from the offices of the campus Chancellor. The Office of Academic Development and Coordination reviews those items referred to the President to determine whether or not they fall within any of those categories of new programs described below which require the approval not only of the central administration but also of the Board of Trustees and/or the Illinois Board of Higher Education.

* Including, but not limited to, new, expanded, or otherwise substantially modified departments, colleges, schools, institutes, degrees, curricula, and majors.

OFFICE OF THE PRESIDENT

The organization of University-wide responsibilities attempts to maximize the educational effectiveness and efficiency of the programs of each of the campuses. *Faculty Letter* No. 230, May 10, 1972, spoke to eight specific functions of the central administration, six of which relate directly to the role of the central administration in the approval process for new, expanded, and improved units of instruction, particularly those requiring State Board and/or Board of Trustees approval. Enunciation of institutional mission, development of plans for attainment of that mission, and evaluation of the success in meeting that mission constitute the fundamental responsibilities of the central administration — fundamental responsibilities which, in the context of academic planning, depend heavily upon the interest, initiative, and support of campus faculty and administrators.

Vested in the system-wide academic officer is central administrative responsibility for the development, coordination, and evaluation of academic policies, procedures, and activities. It is the academic Vice President's responsibility not only to ultimately articulate the academic scope and mission of the University system, but also to plan for its realization. Thus, the determination of University priorities and resource requirements for new programs is a major task within the academic Vice President's office. The review of new, expanded, and improved program proposals by the Office of the President will be coordinated by the Vice President for Academic Development and Coordination working with the Vice President for Planning and Allocation.

BOARD OF TRUSTEES

All new degree programs must be approved by the Board of Trustees, which acts upon recommendations submitted by the President. The categories of academic items requiring central administration and Board of Trustees approval are as follows: new degree programs, new majors, new or revised units, substantial curricular

revisions, intra-institutional arrangements, inter-institutional arrangements, and educational policy generally (including admissions).¹ Items which come to the attention of the Vice President through the referral process from the Chancellor to the President will be reviewed and steps taken to assure appropriate authorization. The central administration will consider recommendations from the Chancellors' offices that a particular item, while not requiring Board of Trustees action, go to the Trustees as a report item.

ILLINOIS BOARD OF HIGHER EDUCATION

Campus recommendations regarding action by the Illinois Board of Higher Education are considered in the context of State Board guidelines. The act which established the Illinois Board of Higher Education provides that the governing boards of the state universities:

"shall not hereafter undertake the establishment of any new unit of instruction, research or public service without the approval of the Board. The term, 'new unit of instruction, research or public service,' includes the establishment of a college, school, division, institute, department or other unit in any field of instruction, research or public service not theretofore included in the program of the institution, and includes the establishment of any new branch or campus of the institution. The term does not include reasonable and moderate extensions of existing curricula, research or public service programs which have a direct relationship to existing programs; and the Board may, under its rule making power define the character of such reasonable and moderate extensions."

At its regular meeting of April 3, 1962, the State Board gave final approval to a rule defining "reasonable and moderate extensions" and established guidelines related to that question. In 1968 the Board amended the 1962 rule so that approval of the Bachelor of Arts degree in a specific discipline implied approval of the Bachelor of Science degree in that discipline and *vice versa*, with similar joint approval being extended to the Master of Arts and Master of Science degrees.

At its regular meeting of November 9, 1972, the Board approved an amendment to the rule defining "reasonable and moderate extensions" as that rule pertains to changes in the names of existing programs, departments, or degrees. The text of the rule as adopted in 1962 and as amended in 1972 is as follows:

"Reasonable and moderate extensions" of existing [instructional] programs are hereby defined as those which are directly related to existing programs, and (a) which consist of new and additional courses of instruction within an existing academic department or division which do not involve a new degree, certificate, or academic major . . .²

Any change in the name of an existing unit of instruction, research, or public service (including but not limited to departments, colleges, schools, institutes, degrees, and majors; and excluding individual courses) which by the commonly accepted standards of the academic community denotes a substantive change in the unit itself, shall not be considered a reasonable and moderate extension, and must therefore still be submitted to the Board for approval as a new unit of instruction, research, or public service. In particular any change in name which denotes a change in discipline or academic major, or a change from an arts and science discipline to a similarly named professional discipline or *vice versa*, or a change from a teacher education curriculum to a similarly named professional or arts and science curriculum or *vice versa*, or a change in level of degree or level of organization, must still be submitted to the Board for approval as a new unit.

In regard to the planning of programs for any new campuses which have been or may be established, the Board so far has expected the governing boards to submit for approval any new units of instruction, research or public service (including a college, school division, department, or institute) on a given campus even though similar programs are already in existence at another campus within the same system.

Further, in order to assist the Board in comprehending the scope and nature of its planning function, each institution is requested to submit annually, not later than March 1, a list of all new courses, new research contracts, and new public service activities which were initiated during the twelve-month period ending on the previous December 31 and which were considered "reasonable and moderate extensions" of existing programs and as such were not presented to the Board for approval. Each institution is requested to report at the time of System Board approval any change in the name of an existing unit of instruction, research, or public service (except individual courses) which that institution or system plans to implement as a reasonable and moderate extension.

Current programmatic priorities established by the Illinois Board of Higher Education provide guidelines for the review of academic programs. Those priorities have been presented as follows:

1. Health-related programs at all levels;
2. Programs of excellence and innovation at the undergraduate level, programs aimed at improving undergraduate instruction; 'Report of the Committee on New Institutions'; *Less Time, More Options* (Carnegie Commission) and *Report on Higher Education* (Newman Report);
3. Programs which respond to the special needs of those who have been historically excluded from higher education by virtue of age, race, sex, economic or social status or geographic location;
4. Programs of cooperation between public and private institutions;

¹ *Guidelines for Administrative Procedures*, March 1, 1973.

² Subparagraphs (b), (b)(i), and (b)(ii) of the rule deal with research and public service activities.

5. Programs which respond to specific recommendations in Master Plan — Phase III.

"When all institutions are facing tight fiscal situations, the review of new program proposals must give special care and scrutiny to the basic questions asked historically of all new programs: Are the resources available adequate? Is there clear evidence of need? Does the new program duplicate other similar existing programs? ..."

and, in regard to doctoral program proposals through June, 1975:

- 1) No new doctoral program of any kind be considered unless a compelling need within the State for that program can be established;
- 2) additionally, no new Ph.D. program be considered if a similar program exists in a public or private institution of higher education within Illinois . . ."

PROCESS FOR REVIEW OF PROPOSED NEW OR REVISED UNITS OF INSTRUCTION

In general, the initiation and review of a new or revised academic unit is a sequential legislative process which takes place at several levels within the University organization: department, college (including the Graduate College), Chancellor, Senate, University Senates Conference, central administration, Board of Trustees.

A proposal usually originates in a department, the primary unit of education and administration. (Occasionally an interdepartmental or intercampus committee or "division" will initiate and after approval administer a new instructional program.) After review and approval by the departmental executive or advisory committee, the proposal is sent to the dean of the college.

The dean of the college refers proposals to the college committee on educational policy (or committee on courses and curricula). Major changes are referred, with committee recommendation, to the general faculty of the college. In certain colleges, the committee on courses and curricula is authorized to act for the faculty on proposals for individual course changes, deletions, or additions.

The Graduate College has jurisdiction in the case of all programs which lead to graduate degrees. The Graduate College review, which normally is undertaken by a committee appointed specifically for each program and representative of all colleges having an interest in that program, concerns itself with the academic quality of proposed programs.³ Individual courses that carry both undergraduate and graduate credit must be approved by both the cognizant undergraduate college and by the Graduate College.

³ Illinois Board of Higher Education, March 7, 1972.

⁴ Illinois Board of Higher Education, December 4, 1973.

⁵ "At each campus, a Graduate College shall have jurisdiction over all programs leading to graduate degrees as determined by Senate action and approved by the Board of Trustees. It is the responsibility of the Graduate College to develop and safeguard standards of graduate work and to promote and assist in the advancement of research in all fields." *University of Illinois Statutes*, V, Sec. 1(a).

Following approval at the college level, the proposal is submitted to the Chancellor's office. The Chancellor refers it to the Senate Committee on Educational Policy (at Chicago Circle, the Senate Committee on Academic Programs) which reviews it and recommends action, favorable or otherwise, to the Senate.⁶ Deliberations in Senate committee or full Senate meetings are predominately concerned with the educational policy implications and academic merit of a proposed new unit of instruction. It is to the Senates that responsibility for the assurance of a quality program, particularly at the undergraduate level, is delegated. When approved by a given Senate, the proposal is referred to the University Senates Conference, and, at the same time, back to the Chancellor's office.

The University Senates Conference, consisting of elected representatives of the Senates of all three campuses, considers the proposal in the context of system-wide University educational policy. If a proposal involves more than one campus, it will be referred by the Senates Conference to the other Senate or Senates concerned. A proposal always will be referred to one or both of the other Senates if their representatives so request. If the Senates disagree, the Senates Conference will first seek agreement on the part of the Senates, but will make its own recommendation to the President if no such agreement can be reached.⁷ Clearance by the University Senates Conference is a prerequisite to either Board of Trustees or State Board action.

A key element in the process is review of the proposal by the Office of the Chancellor. Prior to the submission

⁶ "Each Senate may exercise legislative functions in matters of educational policy affecting the University as a whole or its own campus only. No such Senate action shall take effect until it has been submitted to the University Senates Conference . . . and either approved by the Board of Trustees itself or approved in a manner agreed to by the Board.

"Except as otherwise provided in these Statutes, each Senate shall determine for its campus matters of educational policy including but not limited to: requirements for admission to the several colleges, schools and other teaching divisions; general requirements for degrees and certificates; relations between colleges, schools and other teaching divisions; the academic calendar; and educational policy on student affairs." *University of Illinois Statutes*, II, Sec. 1(b), (c).

⁷ "The University Senates Conference shall review all matters acted upon by each Senate. The Conference shall determine whether Senate actions requiring implementation or further consideration by officials or other groups within the University have been referred to the appropriate officials or groups. The Conference itself may make any original or additional referral it deems advisable, and may append its comments and recommendations. Should the Conference find a matter acted upon by one of the Senates to be of concern to one or more of the other Senates, it shall refer the matter and the action to the other Senate(s) . . . The Conference may act and may authorize its Executive Committee to act as an advisory group to the Board of Trustees (through the President), the President, other administrative officials, and the several Senates on matters of University-wide concern." *University of Illinois Statutes*, II, Sec. 2(b), (c).

of a proposal to the Office of the President, the Chancellor has the responsibility for ensuring a review that evaluates the proposed unit of instruction from such standpoints as quality, scholarly importance, student need, job market demands, relationship to campus priorities in scope and mission, and resource requirements and availabilities. The Chancellor forwards the proposal, with his own recommendations for disposition, to the President, to the Vice President for Academic Development and Coordination, and to the Secretary of the Board of Trustees, in line with the referral procedure for all academic Senate items.

The President and the Vice President arrange for appropriate review by the staff of the Vice President for Planning and Allocation and by other offices or committees as appropriate. This review may include consultation with the University Academic Council, the University Planning Council, the University Council on Graduate Education and Research or other relevant all-University councils.

The review by the Office of the President emphasizes the total needs, resources, and priorities of the University. It includes an analysis of the "relationship (of the proposed item) to the University's mission and long-range planning assumptions" and "the general long-term resource implications."⁸ There is an examination of the programmatic content of the proposal in the light of the priorities established in the University *Scope and Mission* statement; the budgetary impact of the proposed item; and its impact on enrollment, faculty hiring, and space utilization. The nine criteria outlined in the *Scope and Mission* statement will be applied, particularly at the advanced graduate and professional levels. The Vice President for Academic Development and Coordination reviews with the other Chancellors any intercampus implications, and, as a final step, advises the President concerning action to be taken on the recommendations.

The President reports to the relevant Chancellor(s) on the final disposition to be made of the recommendations. The recommendations of the Senate, as modified by the review by the University Senates Conference and at the Chancellor and central administration levels, are submitted by the President with his own recommendations to the Board of Trustees for final internal action. The President is required to submit a proposal approved by the Senates or the University Senates Conference to the Trustees, but may recommend that it be modified or rejected — for policy reasons or due to lack of funds or facilities. After an item requiring State Board approval has been approved by Board of Trustees' action, the item is formally submitted to the State Board by the Office of the Secretary of the Board of Trustees. Revisions to proposals after University Senates Conference or Board of Trustees approval, either at the initiation of the State Board or as a result of negotiations with the State Board, will be made at the discretion of the Vice President for Academic Development and Coordination in consulta-

⁸ *Scope and Mission*, May, 1974.

tion with the relevant Senate Educational Policy or Academic Programs committee and reported by him to the various University offices concerned.

In an institution of the size and complexity of the University of Illinois, the process outlined, although time-consuming, is essential. Not infrequently in the course of their journey through the legislative process, proposals are modified, rejected, or abandoned, in whole or in part. The total process is designed so that the intrinsic educational worth of new programs is weighed by the bodies most competent to make such evaluations — the various committees of the entire University faculty. Administrative review at any level within the University structure presumes thorough academic review and sound faculty advice regarding the educational worth of a proposed new or revised unit of instruction. The faculty assume this fundamental responsibility for academic excellence in departmental, Senate committee, Senate, and Graduate College settings.

Given this tradition of faculty responsibility in educational policy, administrative appraisal and recommendation will not normally be concerned with the substantive aspects of intrinsic educational policy. However, before a proposal is finally approved and implemented or forwarded to the Illinois Board of Higher Education, it is evaluated in terms of the total needs, resources, and priorities of the campus as judged by the campus administration and in terms of the total needs, resources, and priorities of the University as judged by the University administration and by the governing body, the Board of Trustees.

PROCEDURES FOR SUBMISSION OF PROPOSALS FOR REVIEW AND/OR APPROVAL BY THE OFFICE OF THE PRESIDENT, BOARD OF TRUSTEES, AND/OR ILLINOIS BOARD OF HIGHER EDUCATION⁹

Proposals to Be Submitted

Proposals for the following should be submitted in the format required by the State Board to the Office of the President for review, approval, and, generally, forwarding to the Board of Trustees and the Illinois Board of Higher Education:

1. New or revised units of instruction;
 - a. New degree programs (graduate and undergraduate), including new curricula;¹⁰
 - b. New majors;¹⁰

⁹ While all Senate items may be implemented only with the approval of the Office of the President, these procedures apply to those academic Senate items requiring approval beyond that office — by the Board of Trustees and/or the Illinois Board of Higher Education.

¹⁰ Nomenclature may differ from one campus, college, or department to another; however, the terms "curriculum" and "major" designate and include those sub-units of academic degree programs one or two steps removed from the degree itself, whether labeled fields of concentration, specializations, etc.

- c. Substantial revisions¹¹ of degree program, curricular, or major requirements;
 - d. New academic administrative units;
 - e. Reorganizations of academic administrative units;¹²
2. New or substantially revised units of research;
 3. New or substantially revised units of public service.

In addition to the above, formal intra-institutional and inter-institutional agreements require the approval of the Office of the President, the Board of Trustees, and, possibly, the Illinois Board of Higher Education. Similarly, changes in ongoing programs which have significant impact on enrollment, budget, faculty hiring, or on library, space, and/or facility requirements must be reviewed and approved by the Office of the President and possibly by the Board of Trustees and the State Board. Agreements and proposals for these changes should be submitted as described in this document in the format appropriate to the nature of the proposal.

Format for Submission

Seven copies of each request for approval should be submitted to the Office of the Vice President for Academic Development and Coordination. All requests should include the following:

¹¹ The guideline for campus determination is the IBHE rule on "reasonable and moderate extensions."
¹² This category includes those reorganizations which would require IBHE approval under the "name change" regulation of the State Board.

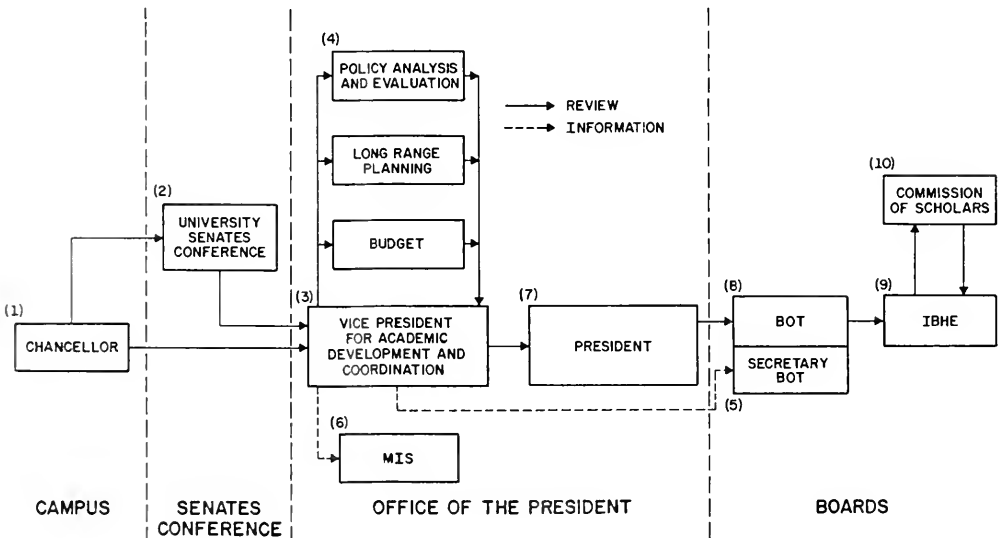
1. The title page form "Program Approval Request";
2. A statement of clearances given the proposal on the campus at the department, college, Senate, Graduate College, etc. levels;
3. A discussion by the Chancellor of the relationship of the proposed program to the campus statement of scope and mission, its priority level within that general plan if it requires new resources or represents major campus reallocation, and its relationship to the stated priorities of the campus;
4. A draft Board item if Board of Trustees approval is required;
5. The completed forms required by the Illinois Board of Higher Education; in individual instances, only portions of the form may be relevant.

Preliminary review of the proposal may establish a need for information beyond that submitted. In that case a request will be made for those additional materials. Once final approval is given by the Board of Trustees, fifteen additional copies will be requested of the campus (with any modifications agreed to) for forwarding to the State Board.

Schedule of Submission

Proposals may be submitted for review at any time during the year. However, proposals which will affect the FY 1977 fiscal year budget request should be forwarded for review and approval to the Office of the President no later than March 15, 1975, in order to re-

PROGRAM REVIEW AND APPROVAL PROCESS



ceive adequate consideration before the construction of the FY 1977 budget request in late spring or early summer of 1975.

The Review Process

A flow chart of the process of review and approval at the University, Board of Trustees, and Illinois Board of Higher Education levels of review appears on page 5.

The Chancellor's Office (1) has the following major responsibilities with respect to this process:

- a. Ensuring the review of the proposal as required at the campus level;
- b. Reviewing the stated need for the proposed program, establishing whether or not the campus has the capabilities (financial and academic) to build and maintain a high-quality program in this area, reviewing and approving the projected resource requirements for the program, and defining its relationship to the campus scope and mission;
- c. Ensuring the submission of the proposal to the University Senates Conference (2), as required;
- d. Submitting the proposal to the Office of the President, including a formal request to the President and, in the format described above, to the Vice President for Academic Development and Coordination with an information copy to the Secretary of the Board of Trustees (5). (Included in *Format for Submission* section.)
- e. Preparing and submitting, upon request by the Vice President, to the Board of Trustees office fifteen copies of the finally approved format for referral to the Illinois Board of Higher Education.

The Vice President for Academic Development and Coordination (3) has the following major responsibilities for the review of proposals:

- a. Determination of the final level of approval required for a given proposal (in consultation with the Secretary of the Board of Trustees);
- b. Review of the proposal for completeness of information;
- c. Coordination of the review of the proposal by other units (4) in the Office of the President (Vice President for Planning and Allocation, Budget and Long-Range Planning offices) and, as necessary, by all-University councils or committees;
- d. Submission of an information copy to the Secretary of

- the Board of Trustees (5) and to the University Management Information System office (6);
- e. Final review of the proposal and of comments by other offices;
- f. Recommendation to the President.

The President (7) and the Secretary of the Board (5) have responsibility for submission to the Board of Trustees (8) and for notification of the action of the Board.

Subsequent to approval by the Board of Trustees and when required, the Secretary of the Board and the Vice President for Academic Development and Coordination are responsible for the following:

Vice President for Academic Development and Coordination	Secretary, Board of Trustees
<ul style="list-style-type: none"> a) Determination of any additional documentation required; c) Negotiations, as required, with the staff of the Illinois Board of Higher Education;* 	<ul style="list-style-type: none"> b) Formal submission of the request to the Illinois Board of Higher Education (9); d) Notification to those involved of the formal action of the Illinois Board of Higher Education.

* The Vice President *would* ordinarily involve campus academic officers and faculty in such discussions; should the negotiations result in changes to the proposal approved by the faculty Senate concerned, the University Senates Conference, and the Board of Trustees, the Vice President for Academic Development and Coordination will determine whether such changes are significant enough to require review and re-approval by these University bodies.

Inquiries to the *Faculty Letter* may be directed to the editor, Lucille Turigliatto, 272c Administration Building, Urbana. Telephone 333-6502.

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FACULTY LETTER

FROM THE OFFICE OF THE PRESIDENT · UNIVERSITY OF ILLINOIS

No. 253, December 10, 1974

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Trustees Approve Amendment of FY 1976 Operating Budget Request

Meeting on the Chicago Circle Campus November 13, the Board of Trustees among other actions approved an amendment of the University's Operating Budget Request for Fiscal Year 1976 in regard to salary increases. The Board had initially approved the Operating Budget Request at its September 18 meeting.

This was the recommendation offered to the Board by President John E. Corbally:

On September 18, 1974, the Board of Trustees approved an operating budget request for Fiscal Year 1976 which included salary increase funds in an amount to provide average increases of 9.5 per cent. At that time it was clear that economic conditions continued to be unstable and that, while the assumptions which supported the salary increase request would remain valid, updated information related to those assumptions could change the amounts required to meet salary needs of University personnel.

As of this date, a number of new studies have been completed concerning all types of salary levels, and the analysis of the cost-of-living impact by level of salary has been updated for the quarter ending September 30, 1974, and for the year to that date. This analysis shows clearly that the impact of inflation on the "market basket comparison" for both the recent quarter and year is between 11.9 per cent and 12.1 per cent. This result is, as expected, not significantly different from the recently-published Consumer Price Index.

It is also clear from studies and comparisons which are incorporated into the President's Report at the November, 1974, meeting of the Board of Trustees that a deficiency in salary levels for all categories and all campuses exists with respect to state and national comparisons.

It is therefore concluded that any increase of less than

12 per cent will not only cause the University to lag behind the measured cost of living, but indeed would increase the already-existing salary deficiency level at the University of Illinois.

The currently-approved FY 1976 operating budget request seeks \$26.9 million in additional support, an increase of 12.6 per cent on the base of FY 1975. If medically-related expansion programs are removed from the request, the increase is 10.4 per cent. An increase from 9.5 per cent to 12 per cent for personal services adds \$3.7 million, for a total increase over 1975 of 14.3 per cent (12.1 per cent without the medically-related expansion). Table 1 reflects these changes in dollars and in percentages. (See page 2)

It is clear that the economy remains unstable and it cannot be assumed that even these current data will remain correct as the appropriations process for Fiscal Year 1976 moves along toward action in June, 1975. We will continue to monitor the appropriate data and to bring to the Board quarterly reports of our salary needs for 1976. At this time, it is essential that we amend the request which is pending before the Board of Higher Education so that Board will have the benefit of current data. These data show that the rationale which originally led me to recommend salary increases for Fiscal Year 1976 averaging 9.5 per cent now supports increases averaging 12 per cent.

I, therefore, recommend that the operating budget request for Fiscal Year 1976 be amended to include personal services increases averaging 12 per cent and that this amendment be transmitted to the Board of Higher Education. I further recommend that the studies which led to this amendment be continued and that this Board be prepared to forward further recommendations when and if the data warrant such recommendations.

Table 1 — FY 1976 Operating Budget Request
(Thousands of Dollars)

		<i>Per Cent of Request</i>
Personal Services — 12.0% ¹	\$19,236.3	62.89
Price Increases		
General — 11%	\$2,632.6	
Utilities	2,275.2	
	4,907.8	16.05
Open New Buildings	184.0	.61
Health Professions		
Medical Center	3,940.6	
College of Veterinary Medicine	200.0	
	4,140.6	13.53
Student Loan Matching Funds	121.5	.39
Programmed Elimination of Deficiencies	2,000.0	6.53
FY 1976 Request	<u>\$30,590.2</u>	<u>100.00</u>

Increase Over FY 1975 Base

14.3%

Separate Items:

Veterinary Diagnostic Laboratory ² ..	\$ 39.6
Division of Services for Crippled Children ³	1,076.4
Remodeling Projects Under \$100,000	462.5
Cooperative Extension Service	174.8
<i>Total — All Items</i>	<u>\$32,343.5</u>

NOTE: % Increase = $(5\% \times 2/12 \times 12\% \times 10, 12) = 10.8\%$

¹ Personal Services Base \$177,571.1

² Base Personal Services \$272.8

Other \$ 90.8 (11% is applied)

³ DSCC Personal Services Base \$801.9

A report, "Study of Salaries for University of Illinois Personnel," covering the four employee groups at the University, comparison of academic salaries with those of other institutions, and a "Proposed University of Illinois Step Plan" for nonacademic employees will appear in the next issue of the Faculty Letter.

University of Illinois Employees Job Satisfaction Study

UNIVERSITY BUREAU OF INSTITUTIONAL RESEARCH

There are differences, both University-wide and among the three campuses, in the way the University's employees feel about their job situation. Moreover, there are distinctions in job satisfaction between academic and nonacademic employees and within each of these groups.

These conclusions are based on the results of a survey (The University of Illinois Employees Job Satisfaction Study) conducted last spring by Dr. Sandra A. Warden at the request of President Corbally.

The survey questionnaire, designed to examine the attitudes of University employees to a variety of job-related variables and conditions, was distributed by mail at each campus to a random sample of employees in each of the following nine employee groups:

<i>Academic Staff:</i>	1. Tenured Faculty
	2. Non-tenured Faculty
	3. Professional
	4. Graduate Assistants
<i>Nonacademic Staff:</i>	5. Officials and Managers
	6. Professional and Technical
	7. Office and Clerical
	8. Skilled, Semi-skilled, and Unskilled
	9. Service Workers

A random sampling of the nonrespondents in each group at each campus was followed up by telephone.

The final analyses of the survey results were based on the mail and phone samples in combination, which totaled 2,048 employees, distributed by campus as follows: Urbana-Champaign, 976; Chicago Circle, 490; Medical Center, 582.

UNIVERSITY-WIDE AREAS OF RELATIVELY HIGH AND LOW SATISFACTION

The results of the University of Illinois Employees Job Satisfaction Study indicate that the University's academic and nonacademic employees as a whole are well satisfied with the following job-related factors or circumstances, each item having been responded to favorably by at least three-fourths of the employees surveyed, with the percentage often approaching or exceeding ninety per cent:

- (1) The work itself — pride in and liking for one's work;
- (2) Co-workers — their friendliness, intelligence, competence, and cooperation;
- (3) Feeling of being liked, respected, and needed;
- (4) The boss — his/her honesty, competence, cooperation, and fairness;
- (5) Opportunity to use and to improve one's skills and training;
- (6) Opportunity to control how the job is done;
- (7) Availability of needed supporting services, supplies, and equipment;
- (8) The job-related information received.

The lowest relative level of satisfaction among University employees as a group apparently centers around the following job-related factors or circumstances, each item having been responded to unfavorably by more than 40 per cent of the employees included in the study:

- (1) Opportunity for promotion and professional advancement;
- (2) Prospects for a comfortable retirement;
- (3) Earnings and prospects for financial security;

- (4) Chances of bringing about needed changes in one's unit.

CAMPUS DIFFERENCES IN JOB SATISFACTION

Where inter-campus differences in level of job satisfaction exist, and the survey findings suggest that such differences are rather general, the tendency is for the Medical Center employees to be most satisfied and the Chicago Circle employees least satisfied, with the Urbana-Champaign employees intermediate to the other two. This higher overall degree of dissatisfaction on the part of Chicago Circle employees is substantiated by the fact that relatively fewer employees at that campus (56 per cent), compared to the employees at the other campuses (72 per cent for Urbana-Champaign and 78 per cent for Medical Center), would prefer to continue working at the University.

JOB SATISFACTION FOR ACADEMIC AND NONACADEMIC EMPLOYEES

The results of the study did not reflect consistent University-wide differences between academic and non-academic employees in their degree of job satisfaction. On some factors the academic staff are somewhat more satisfied while on others the reverse is true.

Academic employees in general appear to be more satisfied than non-academic employees on factors such as the opportunities (1) to achieve promotion and professional advancement, (2) to use and to improve one's skills and training, (3) to control how the job is done, (4) to bring about needed changes in one's unit, (5) to study or research in one's field, and (6) to accomplish desired things. Academic staff, moreover, are more inclined to be favorably impressed by the distinction or eminence of the University, by its physical facilities, and by the academic atmosphere and surroundings.

Nonacademic employees as a group seem to be more satisfied than academic employees concerning such variables as (1) prospects for financial and job security, (2) prospects for a comfortable retirement, and (3) the

fringe benefits. These factors are related more to the conditions of employment with the University than to the work itself, which is consistent with the fact that non-academic employees are noticeably more inclined than academic staff to indicate a preference for working at the University, but are somewhat less predisposed than academics to prefer working in the same kind of job they now hold.

Academic and nonacademic employees apparently are in striking agreement regarding what could be changed to improve working conditions at the University. Both most frequently cite salaries as the item most in need of improvement.

There are University-wide differences among both academic and nonacademic employees in degree of satisfaction with employment at the University. The most consistent difference within the academic employees is a tendency for Graduate Assistants to be less satisfied than other academic staff, and even this tendency is reversed for some aspects of the employment situation. Among the nonacademic staff, the most pronounced tendency is for Skilled, Semi-skilled, and Unskilled employees to exhibit the highest level of satisfaction, but this trend occurs for less than half of the job-related variables included in the study.

The results of the Employees Job Satisfaction Study provide one measure of satisfaction with the employment situation at the University.

After reviewing the results of the study, President Corbally indicated that those matters appearing to lead to employee dissatisfaction will be discussed with appropriate University personnel so that remedial actions can be taken. The question of the economic status of University personnel has already been described as the top priority concern of the University administration and efforts continue to be made to deal with that concern.

A detailed report of the study can be received by contacting the University Bureau of Institutional Research, 252 Illini Tower, Champaign.

Academic Term Defined for Staff Exemption from Tuition and Fees

Because of recent calendar changes at the University, there is confusion about the wording of policy in regard to regulations governing the assessment and exemption from fees for staff members. The policy, which appears in both undergraduate and graduate catalogs, reads as follows:

"For fee assessment purposes, a staff appointment must require service for not less than three-fourths of the term. (This is interpreted as a minimum of three and one-half months in a semester, nine weeks in a quarter, and six weeks in an eight-week summer session.)"

To dispel the confusion and to clarify the application of the "three-fourths" rule in the specification of the period of time covered by a "term," the following changes in the wording of the current policy are being

made (deletions are in parentheses and additions are italicized):

"For fee assessment purposes, a staff appointment must require service for not less than three-fourths of the academic term (.), defined as the period between the first day of registration and the last day of final examinations. Specific dates marking the end of three-fourths of the term shall be established by the Chancellor or his designee on each campus. (This is interpreted as a minimum of three and one-half in a semester, nine weeks in a quarter, and six weeks in an eight-week summer session.)"

Inquiries to the *Faculty Letter* may be directed to the editor, Lucille Turigliatto, 364 Administration Building, Urbana. Telephone 333-6502.



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FACULTY LETTER

FROM THE OFFICE OF THE PRESIDENT · UNIVERSITY OF ILLINOIS

No. 254, December 13, 1974

Study of Salaries for University of Illinois Personnel

PREPARED BY THE UNIVERSITY OFFICE OF PLANNING AND PRESENTED IN CONNECTION WITH PRESIDENT CORBALLY'S SALARY INCREASE RECOMMENDATIONS AT THE NOVEMBER 13 MEETING OF THE BOARD OF TRUSTEES

INTRODUCTION

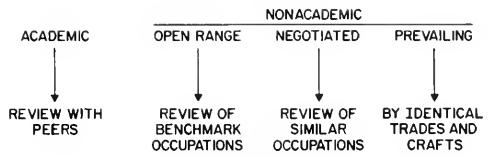
A study of salaries for University personnel is a very complex problem. It involves over 12,400 employees paid from State appropriations and located on three different campuses, who have varying degrees of responsibilities up to the President of the University. It is the policy of the University to treat all classes and all campuses as equitably as possible. Thus, when salary increases are obtained, the funds are distributed to four employee groups in proportion to their portion of the total Personal Services budget. The groups are (1) academic employees, (2) nonacademic open range employees, (3) nonacademic prevailing rate employees, and (4) nonacademic negotiated rate employees. The ratio of the total State dollars for Personal Services paid to these classes is shown below:

Group	Per Cent of Total
Academic	65.60
Nonacademic Open Range	20.83
Nonacademic Negotiated	10.95
Nonacademic Prevailing	2.62
Total	100.00

This study will be mainly directed to the academic and nonacademic open range salaries, as the salaries of the other nonacademic employees are set by either negotiation or in accordance with prevailing rates in the community. The study will attempt to indicate the status of University of Illinois employees in relation to groups outside the University to determine if any deficiencies exist.

Where Do We Stand in Relation to Our Competition? — In order to determine where we stand in relation to our competition, the following chart shows how each group of employees can be compared with their appropriate competition.

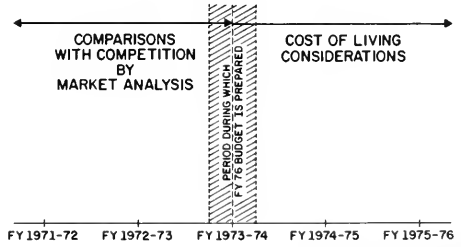
MARKET ANALYSIS



The salaries of the academic employees can be reviewed with the salaries of academic employees at selected peer institutions. The nonacademic employees can be compared by a market analysis. In the case of (a) the open range employees, a review of benchmark occupations can be made; (b) the negotiated employees, a review of similar occupations in the community can be made, and (c) the prevailing group, a review of identical outside groups can be made.

Relationship of Market Surveys and Cost of Living Surveys — Quite often market surveys and cost of living surveys become intermingled in salary studies. This is quite easy to do, but the diagram below is provided to eliminate some of the confusion.

RELATIONSHIP OF MARKET AND COST OF LIVING IN SALARY STUDIES



The preparation of budget requests must necessarily be made prior to the implementation of the request. In the case of the FY 1976 budget request, the studies for comparison with competition had to be made in FY 1974 and prior years, i.e., any market analysis that compares a group with similar occupations must be made looking backward as far as budget requests are concerned. When the budget is prepared, consideration must be given to looking forward to what is thought will occur. This is where cost of living considerations are made to estimate what the market will be in the budget year.

	MEDIAN	\$21,100 (CORNELL)	\$22,100 (U OF I)	\$23,600 (CORNELL)
	RANGE	\$3,900	\$4,000	\$4,000
U OF I LESS MEDIAN		+\$200	-0-	-\$600

The data indicate the University of Illinois professor ranked fourth in salary in 1972, dropped to 5½ position in 1972-73 (median), and dropped to sixth position in 1973-74. Stating the data another way, the salary for University professors was \$200 above the median in 1971-72, but dropped to \$600 below the median by 1973-74.

When similar calculations were made for all of the ranks, the salary differences from the median were those shown below:

Rank	1971-72	1972-73	1973-74
Professor	+200	0	-600
Associate Professor	0	0	-400
Assistant Professor	-100	0	-200
Instructor	+200	-100	-100

When calculations were made considering the staff on both campuses by rank, the funds required to bring the cash salary of the academic staff at the Urbana-Champaign Campus to the median of 1973-74 was \$918,500 and for the Chicago Circle Campus \$301,100, for a total of \$1,219,600.

The data for Medical Center were not available from AAUP bulletins and it was necessary to utilize national and regional salary surveys conducted by the respective national professional organizations of the disciplines.¹ The data were very similar to those given in the AAUP bulletins except that only one year's data were available and the data were given by college rather than by the entire campus. As such, the data were analyzed by colleges and then combined in the same manner as for the Urbana-Champaign and Chicago Circle Campuses with one exception. As the data included all medical schools for each discipline and all the schools are not as comprehensive as the Medical Center, each academic rank of each college was compared with the 75th percentile of the reference source material. From this study, it was determined that the total funds required to bring the cash salary of the academic staff at the Medical Center to the 75th percentile in 1973-74 would be \$2,340,336.

Comparison of Probable Academic Salary Increases in FY 1975 and FY 1976—Data for FY 1976 salary increases to be requested are still pending, as many institutions have not had their requests approved by their governing boards. The information given below is the result of telephone conversations with representatives of several institutions.

¹ *Dentistry*: Office of Educational Resources and Studies, American Association of Dental Schools, Harry Wiesenfelder, Director, December 21, 1973.

Medicine: Division of Operational Studies, Association of American Medical Colleges, February, 1973 and May, 1974.

Pharmacy: American Association of Colleges of Pharmacy, Charles W. Blihen, Executive Secretary, February 6, 1974.

Nursing: A study conducted by the School of Nursing at the University of Colorado, 1971-72.

ACADEMIC SALARY STUDIES

The academic salary studies were made in two parts. One part was the study of the status of the academic personnel at the Urbana-Champaign and Chicago Circle Campuses, and the other part was the study of the status of the academic personnel at the Medical Center Campus. Because of the slight differences, each part will be discussed separately.

The data for the Urbana-Champaign and Chicago Circle Campuses were obtained from AAUP bulletins giving reports on the economic status of the profession for the years 1971-72, 1972-73, and 1973-74 and University of Illinois salary statistics for academic and administrative staff for the years 1971-72, 1972-73, and 1973-74. The institutions selected for comparison with the academic employees at Urbana-Champaign and Chicago Circle are shown below:

- CORNELL UNIVERSITY (NP)
- INDIANA UNIVERSITY (P)
- NORTHWESTERN UNIVERSITY (NP)
- STANFORD UNIVERSITY (NP)
- UNIVERSITY OF CALIFORNIA SYSTEM (P)
- UNIVERSITY OF ILLINOIS—UC & CC (P)
- UNIVERSITY OF MICHIGAN (P)
- UNIVERSITY OF MINNESOTA (P)
- UNIVERSITY OF WISCONSIN—MADISON & MILWAUKEE (P)

Of these groups, six are public (P) institutions and three are non-public (NP).

The procedure for making the salary comparison was to (a) determine the salary for each academic rank at each institution, (b) determine the median, and (c) obtain the difference between the median salary and the University of Illinois salary. An illustration of the data for the cash salary comparison for an academic year at the rank of professor follows:

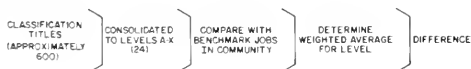
	1971-72		1972-73		1973-74	
	SALARY	RANK	SALARY	RANK	SALARY	RANK
CORNELL	\$21,100	5	\$22,100	5½	\$23,600	5
INDIANA	\$20,700	6	\$21,100	7	\$21,700	8
NORTHWESTERN	\$23,700	1	\$24,600	1	\$25,500	1
STANFORD	\$22,300	2	\$23,300	2	\$24,400	2
CALIFORNIA SYSTEM	\$20,400	7	\$22,600	3½	\$23,800	4
UNIV OF ILL.—CC & UC	\$21,300	4	\$22,100	5½	\$23,000	6
UNIV. OF MICH	\$21,600	3	\$22,600	3½	\$23,900	3
UNIV OF MINN	\$19,800	8½	\$20,600	9	\$21,500	9
UNIV OF WISC.—MADISON MILWAUKEE	\$19,800	8½	\$20,900	8	\$21,900	7

	<u>FY 75</u>	<u>FY 76</u>
CORNELL	6.00	8.00 (PENDING)
INDIANA	5.53	12.00
NORTHWESTERN	5.70 EST.	12.00
STANFORD	6.00	7.00 (PENDING)
CALIFORNIA	5.45	11.00
ILLINOIS	5.00	12.00
MICHIGAN	8.00	N/A
MINNESOTA	5.00	16.50
WISCONSIN	5.50	17.00
IOWA	6.75	12.00
OHIO STATE	6.50	N/A
MICHIGAN STATE	8.00	12.00
PURDUE	5.00	12.00

These data show that while salary increases were obtained in FY 1975 and are also pending for FY 1976, the University of Illinois salary increases for FY 1975 are at the lower end of those offered for the institutions contacted and they are about average for the request in FY 1976. If the salary increases indicated are provided, the result will probably be that the University of Illinois academic group will remain at about the same relationship with their competition in FY 1975 and FY 1976, i.e., they will still be below the midpoint and will still have a total salary deficiency in the order of \$3.5 million.

NONACADEMIC OPEN RANGE EMPLOYEES

Whereas the academic group studies required the analysis of only four ranks, the nonacademic open range study involves approximately 600 job classification titles. Each of these titles has a salary range that indicates the minimum and maximum salary which can be paid to a specific employee within this range. In order to reduce the time required to individually analyze 600 specific classification titles, a procedure was developed in which the 600 titles were consolidated to twenty-four levels with each level combining classes displaying relatively similar salary characteristics. Then each of these levels was compared to benchmark jobs in the community, the weighted average for each level was determined and a difference was obtained. A flow chart of this procedure is shown below:



A further consolidation was made of the levels into three groups that mainly included clerical personnel for levels A-H, senior clerical and technical personnel for levels I-M, and professional and supervisory personnel for levels N-X. It was also determined that positions within levels A-M are mainly influenced by local conditions and those positions within levels N-X are mainly

influenced by national trends. Thus, separate surveys were made in the Urbana and Chicago areas for levels A-M, and one survey was used for the levels N-X.

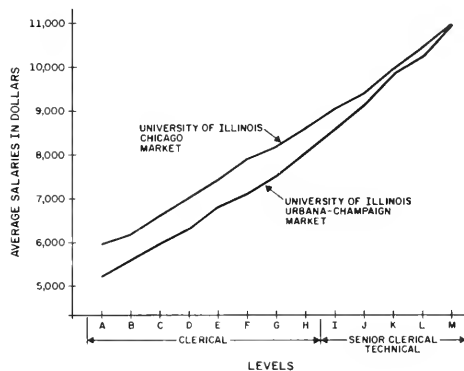
The Urbana-Champaign survey for levels A-M employees was made with thirty-two employers in the Urbana-Champaign, Danville, Rantoul, Bloomington-Normal, and Decatur areas. This survey covered 4,720 people in forty-nine clerical and technical occupations. The Chicago survey for levels A-M included data from the Administrative Management Society and covered 45,100 non-supervisory positions in 106 firms. Also used were data from the Bureau of Labor Statistics which involved 685,000 office jobs in 579 firms, and data from the Chicago Hospital Personnel Management Association which involved 80,000 positions in ninety-five hospitals.

The survey for levels N-X utilized the Bureau of Labor Statistics Survey of Professional and Administrative Positions, which covered 1,550,000 employees, and also the Weber Survey of Data Processing, which included 110,000 positions in 1,461 firms.

Results of Market Survey — The results of the market surveys for the nonacademic open range employees are shown in a series of graphs below.

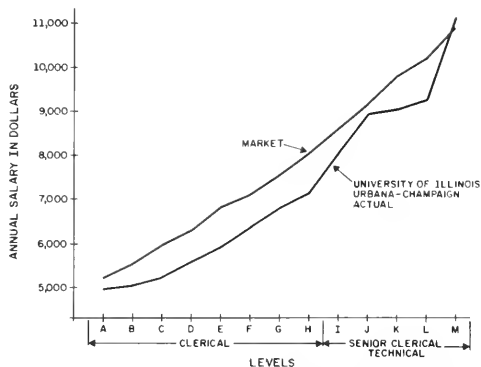
The following graph indicates a difference of market salaries for similar positions at Urbana-Champaign and Chicago.

COMPARISON OF ANNUAL MARKET SALARIES
AT URBANA-CHAMPAIGN AND CHICAGO
(FY 74—LEVELS A THROUGH M)



The graph indicates that the market salaries at Chicago are higher than those at Urbana-Champaign, but as the level increases to level M, where the employees are more influenced by national conditions than local conditions, they become similar.

The comparison of the average annual salaries at Urbana-Champaign to the market in the Urbana-Champaign area (as of 7-1-74) is shown below:

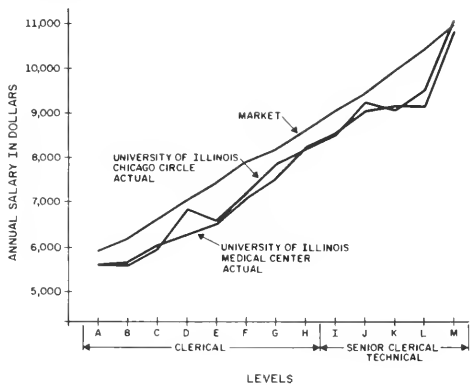


This graph indicates that, with the exception of level M, all of the levels are paid below the market at Urbana-Champaign.

A sample of the difference in monthly salaries for five positions on the Urbana-Champaign Campus is shown below:

	MARKET	U of I	DEFICIENCY
CLERK TYPIST II	\$562	\$440	-\$122
CLERK STENO III	\$674	\$567	-\$107
SECRETARY STENO	\$768	\$767	-\$1
ACCOUNTANT I	\$971	\$892	-\$79
ENGINEER	\$1,797	\$1,665	-\$132

The comparison of the average annual salaries at Chicago Circle and Medical Center to the market (as of 7-1-74) is shown in the next graph.



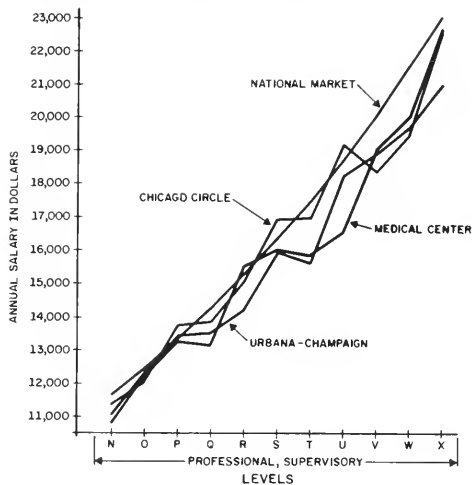
Again, these data indicate a similar trend to that at Urbana-Champaign with most of the annual salaries being below the market level.

A sample showing the difference between the monthly salaries of the market and the weighted average of the

Chicago campuses is shown for five job classification titles.

	MARKET	U of I	DEFICIENCY
CLERK TYPIST II	\$620	\$492	-\$128
CLERK STENO III	\$721	\$676	-\$45
SECRETARY STENO	\$788	\$804	+\$16
MEDICAL TECHNOLOGIST II	\$971	\$830	-\$141
DATA PROCESSING ANALYST II	\$1362	\$1314	-\$48

The comparison of the average annual salaries at the University of Illinois to the market for the professional and supervisory levels (N-X) is shown below:



The salaries of the levels for all three campuses are shown on the same graph for comparison to the market, as these levels are influenced by national conditions rather than local conditions. The data indicate that, in most cases, the salaries paid are below the national market.

When the data are analyzed for each level and the number of employees in each level is considered, the calculations indicate that the funds required to bring the nonacademic open range groups up to the market of FY 1974 would be \$1,986,460. This amount, with the deficiency in the academic group, indicates a total requirement of \$5,546,423 necessary to bring these two groups up to the market.

STEP PLAN

If the University receives the requested salary increases in FY 1976, a step plan will be initiated for the nonacademic open range employees. A step plan is a salary administration plan which provides for progressive upward movement within a pay range, and which

emphasizes both seniority and merit. It is believed that if a step plan is provided and funds are made available, the following advantages will be obtained:

1. AVOIDS CONGESTION AT ENTRANCE SALARY LEVEL—ESPECIALLY TRUE AT LOWER LEVELS.
2. PROVIDES FOR ORDERLY MOVEMENT TOWARD THE MARKET AVERAGE.
3. ALLOWS PREDICTION OF FUTURE FUNDING NEEDS.
4. GIVE EMPLOYEES A BETTER UNDERSTANDING OF ADVANCEMENT POTENTIAL.

To gain a better conception of the possible advantages and results of a step plan, a comparison of the distribution of University of Illinois employees within pay ranges with the distribution of similar employees of the State of Illinois Code Departments was made. There are seven steps within each pay range of the job classifications for State Code Department employees. Data were obtained to determine the percentage of employees within each step. Data for the University of Illinois employees were also obtained and, from their pay data for each range, the percentage of employees was determined that would have fallen into corresponding steps of the State Code Departments. The following three graphs indicate distribution of University of Illinois and State Code employees within steps of pay ranges for the clerical group, senior clerical and technical group, and the professional and supervisory group.

Looking at the clerical employee group, the State Code Department indicates what is believed to be the results of a mature step plan; i.e., the employees are fairly well distributed along the steps of the salary range with the maximum number being at the midpoint (step 5) and a reduction in the number in steps 6 and 7, which are superior performance areas. This distribution of employees is contrasted to the present distribution of University of Illinois employees where the greater portion of employees are at steps 1 and 2 and relatively few

of the employees at the higher steps within the pay range. It is believed the initiation of a step plan at the University of Illinois will tend to distribute the University employees over the range of pay in a more equitable manner similar to the distribution of the State Code Department employees.

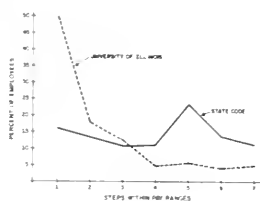
The characteristics of the *Proposed University of Illinois Step Plan* are shown below:

WHAT ARE THE CHARACTERISTICS OF THE PROPOSED UNIVERSITY OF ILLINOIS STEP PLAN?

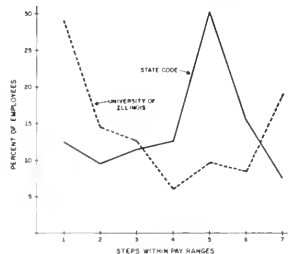
1. A SALARY RANGE FOR A PARTICULAR CLASS IS DIVIDED INTO EQUAL PARTS, OR STEPS.
2. STEPS WILL VARY FROM 9 TO 13 AS GROUPS PROGRESS FROM CLERICAL TO SUPERVISORY. ANNUAL INCREASES TO BE $4\frac{1}{2}\%$ OF ENTRANCE SALARY.
3. EMPLOYEES WHO PERFORM SATISFACTORILY PROGRESS FROM STEP TO STEP TO JUST BEYOND THE MIDPOINT OF THE SALARY RANGE AS THEIR SENIORITY INCREASES.
4. SUPERIOR PERFORMANCE INCREASES GRANTED UP TO 20% OF ELIGIBLE EMPLOYEES ON ANY DATE WITH AN 18 MONTH INTERVAL BETWEEN SUCH INCREASES FOR A PARTICULAR EMPLOYEE.

As indicated in the characteristics of the University of Illinois Step Plan, it is proposed that each salary range be divided into a number of steps which will vary from 9 to 13 and in which normal progression will proceed up to market average, after which further progression will only be on the basis of superior performance. An example of a salary range and step for a class is shown on page 6 as well as an example of the progression through a ten-step plan. The first two steps of a ten-step plan would be $2\frac{1}{4}$ per cent of the entering salary for the class. Thereafter, all other steps would be at a $4\frac{1}{2}$ per cent level. Normal progression would be the first two steps at 6-month intervals and, thereafter, all the next steps up to the market average on the anniversary date of employment. Beyond the market average the progression would only be the result of superior performance.

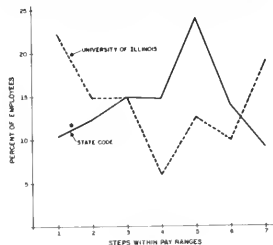
COMPARISON OF THE DISTRIBUTION OF CLERICAL EMPLOYEES UNIVERSITY OF ILLINOIS—STATE CODE DEPARTMENTS



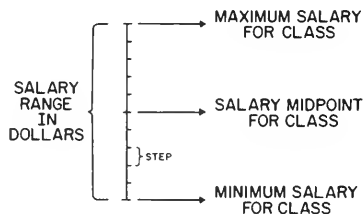
COMPARISON OF THE DISTRIBUTION OF SENIOR CLERICAL AND TECHNICAL EMPLOYEES UNIVERSITY OF ILLINOIS—STATE CODE DEPARTMENTS



COMPARISON OF THE DISTRIBUTION OF PROFESSIONAL AND SUPERVISORY EMPLOYEES UNIVERSITY OF ILLINOIS—STATE CODE DEPARTMENTS



EXAMPLE OF A SALARY RANGE AND STEP FOR A CLASS



EXAMPLE OF A 10 STEP PLAN

STEP	1	2	3	4	5	6	7	8	9	10
STEP LENGTHS (% OF ENTERING)	2 1/4	2 1/4	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2
NORMAL PROGRESSION MONTHS	6	6	12	12	12	12	12	-----		
							MARKET AVERAGE	SUPERIOR PERFORMANCE ONLY		

The estimated cost of the proposed step plan is about 4.1 per cent of the FY 1975 Personal Services base for FY 1976 and about 5.3 per cent for FY 1977. The estimated cost of starting the plan and maintaining the plan is shown below:

	COST-STATE FUNDS	% OF FY 75 BASE
FY 76		
"GETTING ON THE PLAN"	\$697,000	1.7
PAY PLAN MAINTENANCE (SEPT 1975-JUNE 1976)	\$984,000	2.4
TOTAL COST	\$1,681,000	4.1
FY 77		
ANNUALIZATION OF FIRST YEARS COST	\$779,000	1.9
PAY PLAN MAINTENANCE (JULY 1976-JUNE 1977)	\$1,394,000	3.4
TOTAL COST	\$2,173,000	5.3

NOTE: EACH YEAR PART OF THE COST WILL BE OFFSET BY TURNOVER

MARKET BASKET EXPENDITURES

When the FY 1976 budget was presented to the Board of Trustees on September 18, 1974, the request included salary increase funds in an amount to provide an average increase of 9 1/2 per cent. President Corbally indicated that the economic conditions were unstable and that updated information regarding the amounts required to meet salary needs of the University personnel would be provided as new information became available. Since the September Board meeting, the cost of living

impact by level of salary has been updated for the quarter ending September 30, 1973, and the analysis shows that the impact of inflation on the market basket is between 11.9 per cent and 12.1 per cent, not significantly different from the recently published *Consumer's Price Index*. The data obtained by the Bureau of Labor Statistics for families of various income levels and the resultant calculation of the impact of inflation upon the market basket expenditures are shown below:

LOWER INCOME LEVEL

	COST OF FAMILY CONSUMPTION						TOTALS
	FOOD	HOUSING	TRANSPORTATION	CLOTHING	MEDICAL CARE	OTHER FAMILY CONSUMPTION	
1973 FALL	2420	1,711	578	749	660	718	6,836
FACTORS	1.1126	1.1340	1.1646	1.0904	1.1222	1.0984	
1974 FALL (CALCULATED)	2,692	1,940	673	817	741	789	7,652
Σ 1974	7,652						
Σ 1973	6,836	= 1,1194					

INTERMEDIATE INCOME LEVEL

	COST OF FAMILY CONSUMPTION						TOTALS
	FOOD	HOUSING	TRANSPORTATION	CLOTHING	MEDICAL CARE	OTHER FAMILY CONSUMPTION	
1973 FALL	3,196	3,159	1,046	1,089	686	1,229	10,405
FACTORS	1.1126	1.1340	1.1646	1.0904	1.1222	1.0984	
1974 FALL (CALCULATED)	3,556	3,582	1,218	1,187	770	1,355	11,668
Σ 1974	11,668						
Σ 1973	10,405	= 1,1214					

HIGHER INCOME LEVEL

	COST OF FAMILY CONSUMPTION						TOTALS
	FOOD	HOUSING	TRANSPORTATION	CLOTHING	MEDICAL CARE	OTHER FAMILY CONSUMPTION	
1973 FALL	3,986	4,614	1,350	1,567	692	1,911	14,120
FACTORS	1.1126	1.1340	1.1646	1.0904	1.1222	1.0984	
1974 FALL (CALCULATED)	4,435	5,232	1,572	1,709	777	2,099	15,824
Σ 1974	15,824						
Σ 1973	14,129	= 1,1207					

Summary

INCOME LEVEL	MARKET BASKET EXPENDITURES SEPT, 1973	EQUIVALENT EXPENDITURES SEPT, 1974	PERCENT INFLATION SEPT, 1973 TO SEPT, 1974
LOWER	\$6,836	\$7,652	11.9
INTERMEDIATE	\$10,405	\$11,668	12.1
HIGHER	\$14,120	\$15,824	12.1

Inquiries to the *Faculty Letter* may be directed to the editor, Lucille Turigliatto, 364 Administration Building, Urbana. Telephone 333-6502.



FACULTY LETTER

FROM THE OFFICE OF THE PRESIDENT · UNIVERSITY OF ILLINOIS

No. 256, March 28, 1975

ACCOUNTABILITY—*Is the University of Illinois Efficient and Productive?*

ANNUAL MESSAGE OF JOHN E. CORBALLY, PRESIDENT, UNIVERSITY OF ILLINOIS

I am pleased once again to have this opportunity to report to you about the University of Illinois. This message is my fourth annual report to the citizens of Illinois on behalf of your principal State university. As is my usual custom I intend to emphasize our positive accomplishments rather than our difficulties and problems. I would, however, be less than honest in reporting to you if I failed to state that as citizens of Illinois, we all owe a great debt to our staff and faculty who have maintained the quality of the University of Illinois in the face of declining real-dollar support, increasing enrollments, and increasing demands for service. We make no effort to conceal the fact that an institution such as ours cannot be at the same time inexpensive and of high quality. Our libraries, laboratories, and — particularly — our faculty and staff are of the highest order of quality. Our people are the kind of university people who are in great demand regardless of the circumstances in which our economy might find itself. Our staff and faculty represent a truly valuable and scarce resource. It is on behalf of this scarce resource and of the contributions in teaching, research, and service that this resource provides to the people of Illinois that we press so hard for the funds which are necessary to maintain the quality of our University.

But I want quickly to reassure you that because of our understanding both of the scarcity of our resources and of the economic pressures of today we do not waste these resources. We are an institution which is both efficient and productive, although both terms must be measured differently in a comprehensive institution of higher education than is true for many other enterprises. We cannot — to repeat an old story — do as the symphony orchestra was said to have been told to do by an efficiency expert: save money by playing our music twice as fast and by avoiding duplication of musical instruments. Teaching, research, and public service require unique tests of efficiency and of productivity. It is within those requirements that we have been striving for a number of years to insure faithful stewardship over the dollars you provide in support of the University. In this annual report I mention but a few of literally hundreds of efforts

we have been making to improve and to maintain efficient and productive operations. I recognize the danger in focusing on any single aspect of a complex undertaking, but it seems worthwhile this year to describe some of these efforts in detail.

EFFICIENCY EFFORTS RESULTING IN DOLLAR SAVINGS

In some ways the University operates as a business enterprise and is able to adopt or modify effective and efficient business practices which result in obvious dollar savings — a measure of efficiency upon which I believe we all can agree.

The purchasing of supplies and equipment for the University offers one example. We carefully coordinate our purchasing activities among the Chicago Circle, Medical Center, and Urbana-Champaign Campuses. Whenever a monetary or service advantage is made possible by a collective effort, we solicit bids and contract as one group. Such procedures are advantageous, for example, in purchasing paper, light bulbs, computer tapes, X-ray film, and standard classroom and office furniture.

The University has also taken a leadership role in working within the Illinois Educational Consortium for Computer Services. This organization began as a consortium for sharing costly computer resources among a number of colleges and universities within the State. Recently, the University of Illinois has coordinated the expansion of the Consortium's activities to include collective purchasing arrangements among all public institutions of higher education in the State. More than one million dollars in products have been purchased or contracted for under the Consortium's auspices in the six-month period beginning July 1, 1974. Equally important, the colleges and universities of the State have gained valuable insight into the potential benefits to be gained from such cooperative efforts. As a result of the success of this venture and of the organization's broadened scope of activities, steps have now been taken to change the name of the organization to the Illinois Educational Consortium.

Dollar savings have also resulted from centralization of the use of costly and complex scientific equipment, as in the case of the Center for Electron Microscopy at Urbana-Champaign. The Center's dozen major microscopes and their supporting equipment represent an investment of nearly one million dollars. Resources for the purchase of this equipment were obtained from funds contributed by the agencies and organizations which support research projects at the University. Such equipment is priced beyond the reach of any single department, so centralization is the only way to provide widespread faculty access to it. Approximately 100 different projects are now being conducted at the same time at the Center, involving research personnel from such diverse schools and departments as life sciences, chemical sciences, engineering, agriculture, veterinary medicine, basic medical sciences, anthropology, home economics, and horticulture.

Beyond providing substantial dollar savings in equipment costs and allowing for greater equipment utilization, the presence of the Center has allowed many faculty members to continue to develop and expand research interests and skills, and it has helped to attract new funds for research projects we otherwise would not have had the ability to undertake. Further, it has allowed us to develop a formal course of instruction in the theory and operation of electron microscopes and we have trained more students in the use of electron optical equipment than has any other such facility in the country.

Another area in which major dollar savings have been realized is in the operation of our physical plants. Campuses as large and diverse as those of the University of Illinois require a complex process of balancing the needs and desires of each department within the limitations of available facilities. An Office of Space Utilization on each campus is assigned this difficult task, which is complicated by several problems peculiar to the operation of a university. For example, laboratory facilities in many buildings are highly specialized. We cannot teach dramatics in the Nuclear Reactor Laboratory nor teach botany in a home economics laboratory. Our general policy is to allow as much use of a building as is practical. Until recently, the policy was quite liberal. Most buildings remained open and heated for long hours, and were available for use even by non-University groups.

In the last few years, this unlimited access has been severely curtailed, primarily because of tremendous increases in the cost of energy. A secondary motivation has been to reduce the threat of vandalism and theft.

Heat is now turned off in most buildings week nights and weekends. It is left on only when utilization of the building is very high — as in the libraries — or when educational needs of the University demand it. Greenhouses, for example, need constant heat. So do certain laboratories where experiments are in progress twenty-four hours a day.

If a group needs a classroom at night or on the weekend, either for a regular class session or for a special meeting, it is scheduled into a building which must be heated anyway. Other buildings are locked except during

normal business hours. While this may cause some minor inconveniences, the instructional program does not suffer and savings result.

Perhaps the best measure of the effectiveness of this program is the fact that it has resulted in a 20 per cent reduction in fuel consumption and a 15 per cent reduction in the use of electricity at the Urbana-Champaign Campus. Without these cost-saving measures, the University would have had to pay approximately \$587,000 in additional utility costs during the period from July, 1974, to January, 1975.

Yet another example of dollar savings which have resulted from improved efficiency and productivity concerns our efforts to enhance the upward career mobility of nonacademic personnel. In an attempt to help individuals as well as the institution, the University has made a direct effort to encourage nonacademic employees to make greater use of abilities they already possess or to develop their potential skills through further training. At Urbana-Champaign, an "underutilization program" has been established to search out employees who may have skills which are not being fully utilized in their current jobs. Employees' educational levels and job-related aptitudes are reviewed and compared with the educational requirements, salary, and job requirements of their current positions. Whenever it is found that an employee's abilities and aptitudes are not being fully utilized, he or she is counseled about the availability of more demanding and rewarding positions.

To further our continuing interest in affirmative action the Personnel Services Office focused the initial trial of this "underutilization program" upon nonacademic employees who were members of minority groups or who were women. Approximately 400 employees learned about the opportunity for personal job counseling when they were contacted directly by the Personnel Services Office. Nearly 100 chose to take advantage of the opportunity to explore new job possibilities, and some were among the 271 employees on the Urbana-Champaign Campus who advanced to higher paying, more demanding and rewarding positions by changing job categories. At Chicago Circle, thirty employees were promoted outside of the normal promotion lines, and at the Medical Center an additional 123 were similarly promoted. Thus the University is now more fully utilizing the skills and abilities of more than 400 of its nonacademic employees *in addition* to the much larger number of employees who advanced through the normal promotional lines.

STUDENT-CENTERED PRODUCTIVITY

Of course, the University is productive and efficient in many other ways which cannot be measured directly in terms of dollars and cents.

In the interest of providing an opportunity for qualified students to accelerate their undergraduate programs, the Carnegie Corporation is sponsoring a study of time-shortened degree programs at Urbana-Champaign. The program, initiated in 1972, has two major experimental components: residential early admission of students after

the junior year of high school, known as EEA, and an individualized degree program, entitled ISSP.

The EEA plan is based on the assumption that some students are academically and emotionally ready to begin a four-year college career one year before normal graduation from high school, thus shortening the time to the baccalaureate by one year. The first group of fifty-four early admission students was enrolled in September, 1972, the second in September, 1973, and the third in August, 1974. Two members of the first group are scheduled to graduate this June, receiving bachelor's degrees two years earlier than other members of their high school classes.

The ISSP program examines shortening time to the degree by constructing a student's program in six eighteen-hour semesters, rather than eight fifteen-hour semesters, and by providing more effective long-range schedule planning on an individualized basis with academic counselors who help students identify situations in which their goals can be reached more efficiently. The program is comprised of 140 student volunteers chosen from the freshman class which entered the College of Liberal Arts and Sciences in September, 1973.

Students in these programs have performed well academically, with each group earning average grades higher than the all-University grade point average. Although it remains to be seen how many members of these experimental groups actually will complete requirements for a bachelor's degree in less than the usual time, evidence so far supports the idea that good high school preparation, coupled with counseling at the University, can enable students to plan college careers more efficiently and to complete degree requirements in fewer than eight semesters.

Our interest in students goes beyond their quality at entrance and their achievements while on campus. We are equally concerned about the employment success and satisfaction our graduates enjoy after they receive their degrees. It is no secret that the job market is currently constrained across the nation, and that unemployment has been rising. Beyond the question of employment, however, we are deeply interested in the satisfaction our graduates find in their jobs and the degree to which their skills and abilities are being used productively. These latter two areas are admittedly difficult ones to measure with precision. But few issues are more important than studying and strengthening the contribution which higher education can make to expanded productivity at the state and national levels while at the same time providing educational experiences which offer enrichment in areas not directly related to employment, particularly those areas related to civic and social leadership.

For several years our Bureau of Institutional Research has been conducting surveys of recent graduates to examine these issues in detail. Survey information indicates that graduates of the University of Illinois stand well above the national average not only in terms of their ability to find jobs but to find jobs for which their training and skills are appropriate. For all of our campuses together and for all degrees combined in 1972, four per

cent of those graduates surveyed were unemployed and seeking employment. In 1973, this figure rose slightly to four and one-half per cent. The National Bureau of Labor Statistics reports that in 1972 for all degrees combined, 7.2 per cent of the college-educated work force was unemployed and seeking work. Thus, the unemployment rate for our graduates was about one-half the national average.

Using the job classification categories suggested by the United States Bureau of the Census, we have examined the wide variety of jobs our graduates take to determine how many are employed in positions for which their level of education is appropriate. Those who appear to have an educational level higher than that required by their current jobs are termed "underemployed." For all degree levels on all three campuses combined in 1972, we found 12.3 per cent of our employed graduates underemployed. Applying the same procedures to information reported by the Bureau of Labor Statistics reveals a *national* rate of underemployment of 19.6 per cent — more than 50 per cent larger than that for University of Illinois graduates. Thus, for all three campuses, roughly 88 per cent of our graduates are believed to be employed in positions appropriate for their educational levels. This figure is given additional support by the fact that 86 per cent of those surveyed indicated that they were either highly satisfied or somewhat satisfied with their current jobs.

Further, slightly more than 70 per cent of the group surveyed in 1973 took jobs within the State of Illinois. This group includes graduates with advanced degrees who must look to a nationwide labor market for employment. We are encouraged by the fact that only 1.3 per cent of the group indicated that if they had the decision to make again, they would elect not to attend college. We are doubly proud of the fact that more than eight out of ten of them indicated that if they had another opportunity to decide, not only would they attend college, but they would attend the University of Illinois.

As with faculty appointments and nonacademic personnel employment, we are especially concerned about insuring that members of minority groups receive opportunities to pursue careers in areas in which they have traditionally been underrepresented — for whatever reasons. One such area is the field of engineering. For more than a decade the Urbana-Champaign and Chicago Circle Campuses and Bradley University have cooperatively offered a program known as the Illinois Junior Engineering Technical Society Two-Week Summer Program in Engineering, designed to give high school students an opportunity to become familiar with the field of engineering. Recognizing that this program was an effective means of drawing interested students into the field, but aware that virtually no minority students were participating, Howard L. Wakeland, Associate Dean of the College of Engineering and Jerry S. Dobrovoiny, Head of the Department of General Engineering, conceived of the Inner-City Engineering Orientation Program (ICEOP). They felt that a special program for black

students from the inner-city areas of Chicago and East St. Louis, patterned after regular programs, could be instrumental in helping minority students toward engineering careers.

The program was designed to provide students an opportunity to be exposed to college life, to learn what the different areas of engineering are, to learn about the educational requirements in a college of engineering, and to become acquainted with the working life of a practicing engineer. Basic areas in mathematics, engineering problems, lectures on engineering, experiments, research, and professional engineering practice were covered in the program.

The Inner-City Engineering Orientation Program ran for five years. It was followed by the Minority Introduction to Engineering Program (MITE), held at the University of Illinois July 7 to 20, 1974, and at nine other sites across the nation. The ICEOP program was used directly as a model for the MITE program which was sponsored at the national level by the Engineers' Council for Professional Development. More than 300 minority students participated in the ten MITE programs in 1974. Extra sites will be added for the coming year, and more than 500 student participants are expected.

FACULTY EFFICIENCY AND PRODUCTIVITY

No discussion of productivity and efficiency at the University would be complete without some attention to the topic of faculty productivity. That our faculty is productive by any measure is beyond question. Each of my last two messages has been filled with examples of effective and efficient faculty endeavors in the classroom, the laboratory, and the community, state and nation. I have stressed that *quality* in teaching and research must be felt as much as measured. And so it is with productivity in teaching and research. To be sure, there are statistical measures available which can provide an idea of the relative productivity of our faculty over time. We can, for example, count the total number of credit hours taught per full-time equivalent faculty member. When we do so, we find that at Urbana-Champaign the number of credit hours taught per FTE faculty member has increased more than five per cent since 1970. That statement is a rather complicated way of saying that we are teaching more students with fewer faculty. The same situation applies at Chicago Circle this year with respect to upper division students. So by this particular measure, our productivity is good. But what is so much more important is *what* we teach, and how well we teach it. Faculty members whose research interests lag so that they become unaware of the most recent developments in their fields or who fail to take advantage of useful developments in instructional methods are neither as effective nor as productive as we desire no matter how many student credit hours they may generate. These deficiencies will be passed on to their students, and by them to our society in general.

Rather than describe further evidence of productivity broadly across our entire faculty, as I have done in the

past, I prefer this year to center my discussion upon the accomplishments of two specific programs which together involve the cooperative efforts of faculty, staff, and students on all of our campuses. The first concerns our efforts to reduce both the time and the expense required in the medical education of physicians through the programs offered in the University's School of Basic Medical Sciences at Urbana-Champaign (SBMS-UC). Students in the School essentially complete in one year the equivalent of a two-year program for most medical schools. This achievement is made possible by allowing students to proceed at their own pace through a carefully constructed curriculum designed to take maximum advantage of the student's academic background and of recent advances in instructional technology involving computerized instruction. The curriculum incorporates over 350 specific learning units in eleven basic science disciplines and provides the beginning doctor with skills necessary for clinical training.

At the present time the enrollment of first-year medical students has grown from sixteen in 1971-72 to sixty-four in the current academic year, and it will be approximately 100 in 1975-76. A full complement of 128 first-year students should be achieved by the fall of 1976. Following completion of their year at Urbana-Champaign, students continue their programs at our Medical Center Campus in Chicago or in our Schools of Medicine in Peoria and Rockford.

The Basic Medical Sciences program provides a high quality educational experience for students and is cost-effective. Because the students proceed through a curriculum with built-in evaluation instruments to help measure their progress, the faculty can devote a large proportion of teaching time to direct instruction and to personal interaction with students. This procedure increases both the quality of the program and the productivity of faculty members and students.

To realize additional dollar savings, we rely upon the interest and cooperation of local area physicians who volunteer to work with the School in various ways. Many physicians serve as curriculum advisers and developers, working with the basic science faculty in devising and continually revising the unique basic-science, clinical-problem-structured format in which the curriculum is presented. Other physicians volunteer to devote time each week to advise or evaluate SBMS-UC students. One physician in each major urban region within a seventy-five-mile radius of the School serves as a regional assistant to the Dean. These voluntary contributions save the School many thousands of dollars in faculty salaries annually and also play an important role in the continuing professional growth of the practicing physicians who participate with us in medical education. In a further cooperative venture SBMS-UC presently sponsors one family practice residency program and is in the process of helping implement others within the east central region of Illinois.

The second program I wish to mention is the doctoral program in bioengineering administered jointly by

the College of Engineering at Chicago Circle and by the Medical Center through the Intercampus Bioengineering Coordinating Committee. Bioengineering applies engineering science and technology to biological and medical problems ranging from fundamental studies in biology and physiology to specific applications in the development of medical devices, such as artificial limbs.

The program has a faculty of thirty-three which includes twelve members from the Chicago Circle College of Engineering and twenty-one from the Medical Center.

Only four members of this faculty are on the specific budget for bioengineering — the other twenty-nine contribute their time because of their professional interest in the area. Thus the program has virtually no budgetary implications. However, this fall forty-nine graduate students from both Chicago campuses were enrolled in the program, including thirty-five master's degree candidates and fourteen doctoral candidates — a 50 per cent increase over last year's enrollment.

Not only has the program in this field cost the University very little, it has contributed to bringing more than one and a half million dollars in outside funding to the University in the form of grants and contracts.

These and many other examples of our productivity and efficiency have a common theme. It is that the University of Illinois is a most complex organization which performs a vast range of different — though interrelated — functions and services. In some respects we are simi-

lar to other complex organizations, such as businesses, hospitals, government agencies. To the extent that we are similar to such organizations, we can judge our productivity against standards which apply to them. I believe we demonstrate that those segments of our operations which are comparable fare quite well when judged against such standards.

But we must never lose sight of the fact that the university is perhaps the most complex organization in our society. At the very center of that complexity is our involvement in the *creation* of new knowledge, as well as its transmission to new generations of students and its application to our most pressing societal problems.

We have been able to maintain high quality only through steady improvements in efficiency and productivity. I assure you that we shall continue to search for additional ways in which we can become more efficient, always conscious that we must not sacrifice the quality which is at the heart of our institution. I know that the University can count on your continued support to sustain the high degree of excellence which you have come to expect from the University of Illinois.

Inquiries to the *Faculty Letter* may be directed to the editor, Lucille Turigliatto, 364 Administration Building, Urbana. Telephone 333-6502.



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FACULTY LETTER

FROM THE OFFICE OF THE PRESIDENT · UNIVERSITY OF ILLINOIS

No. 257, April 9, 1975

Statement re Governor's Recommendations for FY 1976 Budget

PRESENTED BY PRESIDENT JOHN E. CORBALLY TO BOARD OF TRUSTEES, MARCH 19, 1975

On March 5, 1975, Governor Walker presented to a joint session of the Illinois General Assembly his budget recommendations for fiscal year 1976 (July 1, 1975-June 30, 1976). In general, the Governor supported the recommendations presented to him by the Illinois Board of Higher Education for the funding of higher education in FY 1976.

As we analyze the entire budget proposed for the State of Illinois for the coming year, it is clear that the Governor and the Bureau of the Budget have given special and favorable attention to the needs of education at all levels. While we are and must be strong advocates of our sector of the education system, as responsible people we must also recognize the needs of other sectors of this system and the needs in other areas of State service such as welfare, mental health, transportation, and criminal justice. We cannot retain either leadership or credibility if we pursue our own goals in the absence of an honest recognition of the totality of State goals and of the totality of demands upon State revenues.

As you know, the recommendations of the Governor include the following:

1. Funds equal to 10 per cent of 90 per cent of our personal services base offset by several deductions from that base related primarily to studies of program cost effectiveness and to nonrecurring funds appropriated for the current year.
2. Calculated amounts in support of the increased costs of goods and contract services and of utilities.
3. Funds in support of the continuation of the planned enrollment increases in the health professions.
4. Funds in support of the commercial operations at the University of Illinois-Willard Airport.
5. Funds in support of increased needs of the Division of Services to Crippled Children.
6. Funds in support of the calculated increases in operation and maintenance funds due to the opening of new buildings.
7. Funds in support of the calculated "payout" requirement of the State Universities Retirement System.

I will comment only upon the first and last of those recommendations. With your firm support, we have stated consistently that the salary needs of all University personnel represent our first priority need for 1975-76. We have calculated that increases averaging 12 per cent represent the dimension of that need. Through careful management of the funds recommended by Governor Walker including some reallocations of funds internally, we believe that we can accomplish salary increases averaging 9.5 per cent for 1975-76 within that recommendation. Included within that accomplishment will be the achievement of the step-pay plan for so-called open-range employees which you have twice reviewed and endorsed. I want to emphasize one point so that I am not misunderstood. We will be able within the recommended funds to achieve the step-pay plan with average increases for open-range employees of 9.5 per cent; we will not achieve the step-pay plan in addition to such average increases.

In my view and in the view of my administrative colleagues, the ability to achieve salary increases of this magnitude in today's uncertain economic climate represents a major step forward toward regaining the economic status of our personnel and toward regaining our traditional competitive position *vis a vis* institutions and other employers of comparable stature. It would, in our view, be the worst sort of "dog in the manger" approach to greet the recommendations of the Governor with anything other than support. I know from conversations with his representatives and with representatives of the Board of Higher Education, that the proposed increases in salary for our personnel were made with care and with support for the high priority of our salary needs. While some would wish that you and I continue to argue that "this amount is not enough," I cannot recommend that course of action. Accordingly, unless directed otherwise, it is my intention to support the recommendation of the Governor and to ask my colleagues to turn their attention to the important questions of salary policy for 1975-76 within the amounts available in the Governor's budget.

The other matter I would mention is the perennial

question of support for the State Universities Retirement System. Several of you, through service on the SURS Board, are aware of the controversy surrounding the adequacy and, indeed, the legality of the levels of support provided SURS throughout its history. The only things of which I am certain in this situation are that it is a problem which cannot be solved unilaterally by any single university, that it is a problem whose magnitude is subject to great disagreement among experts, that it is a matter currently under litigation, and that it is a prob-

lem of real concern to all of us who are members of SURS. We shall continue to press for some resolution of this matter, but we intend to deal with this problem as a matter which must be separate from the operating budget for any given year. The solution must be long-range, it must have strong support from a number of elements of State government, and it can only be developed through special attention separate from normal budgetary considerations. We shall continue to call for and to participate in efforts to provide that needed special attention.

Board of Trustees Holds Annual Meeting

The University of Illinois Board of Trustees held its annual meeting on the Urbana-Champaign Campus March 19. Elected president was Earl L. Neal; Secretary, Earl W. Porter; Comptroller, Ronald W. Brady; and University Counsel, James J. Costello.

Mr. Neal, a member of the Board since 1971, is a Chicago attorney and a member of the University of Illinois Class of 1949. Three new members took seats at the meeting: Robert J. Lenz, Bloomington attorney and member of the Class of 1959, Law 1963; Mrs. Nina Temple Shepherd, Winnetka, Class of 1955; and Arthur R. Velasquez, President of Azteca Corn Products Corpo-

ration, Chicago, and a 1960 graduate of the University of Notre Dame.

Other members of the Board include William D. Forsyth, Jr., Springfield; Ralph C. Hahn, Springfield; George W. Howard III, Mt. Vernon; Park Livingston, LaGrange; and Mrs. Jane Hayes Rader, Cobden. Governor Daniel Walker is an ex officio member.

Student members who do not vote are Michael Lee Conlon, Medical Center Campus; Terry P. Cosgrove, Urbana-Champaign Campus; and Kim Gilbertsen, Chicago Circle Campus.

Trustees Adopt Resolution re Faculty Promotion and Tenure

In response to requests from students related to a specific nonreappointment case, the Board of Trustees at its March 19 meeting approved the following resolution:

Resolved,

That the Board of Trustees desires to determine the nature and extent of concern among faculty, staff, and students about promotion and tenure policies, and related issues;

That the purpose of this effort shall be to reaffirm the promotion and tenure policies which contribute to the academic distinction of the University of Illinois, and to consider such changes as may be needed to more effectively build and maintain a great university;

That the Board of Trustees is cognizant of the special role of the Senates on these issues and states that particular care shall be employed to obtain the consultation of the faculty throughout this study;

That the University President is hereby requested to consult with appropriate parties at the campuses of the University to determine whether and to what extent changes should be considered in the policies, practices, procedures, guidelines, and *Statutes* pertaining to promotion and tenure;

That, following a presentation by students and others at an informal conversation yesterday with some members of the Board of Trustees and an analysis of an administrator's report on the so-called "Byars case," the Board of Trustees resolves further that it will not intervene in this case. Intervention by the Board in a case of non-reappointment of a non-tenured faculty member would only be done upon compelling reasons which are absent in this case.

As of this writing, President Corbally is developing plans for the study requested by the Board.

Application for Retirement

Faculty and staff who are planning to retire this year are reminded they must file an application for retirement with the State Universities Retirement System. Failure to file before the date the annuity is to become effective can result, and in some cases has resulted, in delay of payment and even loss of benefits.

Since the Retirement Office has no way of knowing when faculty and staff members plan to retire, especially those who retire before the mandatory age, it is up to the

member to notify the Retirement Office sometime before the date of retirement.

Write to the State Universities Retirement System, 50 Gerty Drive, Champaign, Illinois 61820.

Inquiries to the *Faculty Letter* may be directed to the editor, Lucille Turigliatto, 364 Administration Building, Urbana. Telephone 333-6502.

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FACULTY LETTER

FROM THE OFFICE OF THE PRESIDENT · UNIVERSITY OF ILLINOIS

No. 258, August 20, 1975

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President's Statement on University's FY 1976 Budgets

PRESENTED BY PRESIDENT JOHN E. CORBALLY TO BOARD OF TRUSTEES JULY 16, 1975

Under normal circumstances, I would today be presenting to you a final budget proposal for fiscal year 1976 and a preliminary budget request for fiscal year 1977. Those normal circumstances have not prevailed this year as they have not for several years. On June 11, 1975 — only a little more than a month ago — Governor Walker announced that due to a fiscal crisis in Illinois all operating budgets of State agencies were to be reduced by 6 per cent of the proposed 1976 base. Since that date, little has been done with regard to 1977 budgets as efforts have been undertaken to respond to and to make adjustments required by the new budget message of the Governor. And in spite of my statement made at our meeting last month that a per capita contribution of \$280 from 10 per cent of Illinois taxpayers would solve the crisis without budget reductions, I must report to you today that it is reductions rather than my proposed solution which have prevailed.

I can report, however, that with a high degree of cooperation among the four senior university systems, the staff of the Board of Higher Education, the staff of the Bureau of Budget, and representatives of the Governor's Office, we have been able to ease the impact of these reductions upon our proposed salary increases. We have been unable to sustain the average 9.5 per cent increases which were called for in our original appropriations bill, but neither have we had to fall back to the 4 to 5 per cent increases which could have resulted from a strict application of the Governor's reduction message.

Each university system first sustained cuts in new programs (in our case the elimination of prior deficiencies in such areas as equipment, library support, and operation and maintenance). Through rapid action on the part of the Medical Center Campus, we were able to slow down the planned rate of expansion in the health professions for 1975-76 and thus reduce the new program funds in that area.

Each university system then reviewed capital programs which were to be funded from general revenue

funds and each system contributed some of those funds to a "pool" by agreeing to eliminate or defer some general revenue capital projects. Each system reviewed again its anticipated income fund receipts for 1975-76 and several systems with unanticipated enrollment increases were able to "release" general revenue funds to the "pool" by offsetting these funds with new income fund receipts.

This "pool" was then allocated among the systems to provide personal service funds to permit average salary increases of 7 per cent for personnel in all senior university systems. I cannot overemphasize the significance of this cooperation among the four systems, for without such cooperation a number of inequities could have been created by "temporary" or serendipitous windfalls for one campus or another. We agreed to pool and share such windfalls and I find that agreement most heartening.

We are now in the process of redoing our 1975-76 budgets within the new 7 per cent average salary increase guideline. We are preserving the step-pay plan for open-range employees; we are honoring our legal requirements for prevailing rate employees and our contracts with negotiated employees, but to do so within the funds available will require reductions in work force in these categories; and we are making proportional reductions in increases proposed for faculty and administrative staff to maintain with the 7 per cent increase the same relative increases proposed earlier with the 9.5 per cent increase. While the 9.5 per cent increase was clearly warranted, current forecasts of the inflation rate indicate that we will restore some of our losses to inflation with the amount still available.

I want to make it clear that the reductions we have made in order to preserve reasonable salary increases have been difficult to achieve and have hurt our ability to maintain our programs at the level we are expected to maintain. Over \$12 million have been taken from the amount originally endorsed by the Board of Higher Education and by Governor Walker. This amount is nearly half of our original increase. In order to support salary

increases we have developed procedures on each campus and within the divisions at the General University level to insure that all personnel replacements and new appointments are made only after careful review and a finding of the necessity of the replacement or new appointment. Dr. Brady and his people along with the Chancellors and their staff members, including certainly the Deans and Directors of our colleges and other units, have worked long and hard and imaginatively to bring order out of chaos and to create only austerity where disaster threatened. I am proud both of the solutions they have developed and of the spirit with which they sought those solutions.

On the capital side, we fared well. Turner Hall has finally made it; the new University Hospital is well funded for 1975-76 although agreement was reached to stretch out the funding over two fiscal years rather than to put the full amount in one year; our other projects have all been approved. In spite of the controversy over the so-called supplemental capital program, higher education projects were supported strongly by the General Assembly.

It is clear that 1977 will be another difficult fiscal year. Only during the next few weeks can we complete the task of recasting our 1977 needs in the light of the new 1976 base. We will bring to you in September a final 1976 budget and a tentative 1977 budget. The 1976 budget will be based upon the specifics I have just

briefly described. We will seek action on 1977 budget requests at the October meeting of the Board. In view of the fiscal condition of the State, I can see no way to avoid recommending a tuition increase for 1976-77. It is illogical to assume that the taxpayers of Illinois will continue to bear the full share of the increased costs of higher education and our user fee (tuition) must be increased, in my view, to bear some part of that burden. Our people, our libraries, our laboratories, our grounds, our buildings have been carrying more than their share of these increased costs and the taxpayers have carried their share. The time has come to reassess the appropriate share which must be borne by those enrolled in our programs, and our 1977 budget recommendations to you will contain the results of that reassessment.

Finally, let me close this report with a note of optimism. While the last few weeks have been traumatic, no one can deny that Illinois faces serious financial problems. Recognizing that fact, it is clear that higher education did receive strong support from the General Assembly and from the Governor. Rather than concentrate upon our losses, we need to recognize our gains. Many people have worked very hard to insure that the fiscal problems of our State did not lead to fiscal disaster for higher education. We have a strong base of support and I cannot feel that despair is a proper feeling in recognition of that support.

Summary of Final Action on University's FY 1976 Capital Appropriations Request

UNIVERSITY OFFICE FOR PLANNING

OVERVIEW

The interim between the tentative request of \$50,329,500 for the FY1976 capital appropriations presented to the Board of Trustees on July 17, 1974 (reported in *Faculty Letter* No. 248) and the approval of the projects by the Governor in July 1975 was quite a turbulent period. When the tentative request was made in July 1974, it was assumed that the projects approved by the General Assembly for FY1975 (SB1424 and HB2274) would be approved by the Governor. However, the Governor vetoed the Turner Hall Addition and when the budget request for the FY1976 capital appropriations was submitted to the Board of Trustees, the Turner Hall Addition was included, plus an adjustment to the Library Addition at Chicago Circle. The total amount approved on September 18, 1974, was \$89,526,100. Of this request, the Illinois Board of Higher Education approved \$73,953,420 on January 7, 1975. The Board of Higher Education approved \$7,500,000 more for the University Replacement Hospital in FY1976 than was requested, as it was desired to approve the total project at one time and develop a financing arrangement whereby the State would bond the entire project and the amortization of the project would be accomplished by the State paying

\$30,000,000 and the remaining \$30,000,000 plus financing charge would be provided from Hospital Income over the repayment period.

In January of 1975, the Governor proposed an accelerated building program for the State and the Board of Trustees approved an additional amount of \$9,125,520 in capital projects for FY1976. The Board of Higher Education approved \$8,598,000 of these projects and the original amount requested in September 1975. In total, the Board of Trustees approved \$98,651,620 for FY1976 and the Board of Higher Education approved \$82,551,420.

In June of 1975, two amendments were proposed to the 79th General Assembly which involved capital projects for the University. One amendment was made to House Bill 802 to provide (1) a new building for Veterinary Medicine Research Animal Facility, (2) remodeling of the Small Animal Clinic, Surgery and Obstetrics Laboratory, and Basic Sciences Building of the College of Veterinary Medicine, (3) conversion of old Large Animal Clinic to a Meats Laboratory, (4) planning a new building for Agricultural Engineering Sciences, and (5) planning Phase I of the Veterinary Basic Sciences Building. Another amendment was made to House Bill

289 to provide for air conditioning the Terminal Building at Willard Airport.

On June 11, 1975, the Governor requested that all State agencies reduce the General Revenue portion of the Budget request by 6 per cent. During the negotiations by the Board of Higher Education with the Bureau of the Budget, it was agreed to defer some of the FY1976 General Revenue Funds for capital projects (mainly funds to complete projects and for non-bondable equipment) in order to provide funds to allow an average 7 per cent salary increase for all continuing employees.

SUMMARY

The total capital projects for the University of Illinois presented to the 79th General Assembly for action were \$81,707,120. Of this amount, \$84,201,420 was in House Bill 289 and House Bill 802, and \$506,000 in Senate Bill 468. Of this total request, \$68,675,020 was authorized by the Governor. A summary of the request by major project category and campus with the amount authorized is shown in Table 1 and a complete description of all projects requested and the action taken throughout the history of the FY76 capital request is shown in Table 2.

TABLE 1 — COMPARISON OF FY 1976 CAPITAL REQUESTS BY CATEGORY AND CAMPUS WITH FINAL AMOUNTS AUTHORIZED BY THE GOVERNOR

Project Category	Total Capital Projects for FY 1976				Total Capital Projects Signed by Governor in FY 1976			
	Chicago Circle	Medical Center	Urbana-Champaign	Total	Chicago Circle	Medical Center	Urbana-Champaign	Total
1. Building Projects								
MC Hospital Replacement		\$49,750,000		\$49,750,000		\$51,250,000		\$51,250,000
CC Library Addition	\$ 5,828,700			5,828,700	-0-			-0-
MC Liquid Gas Storage Facility		50,000		50,000		50,000		50,000
UC Speech and Hearing Clinic			\$ 62,000	62,000			\$ 62,000	62,000
UC Turner Hall Addition			7,933,200	7,933,200			7,933,200	7,933,200
UC Law Building Addition			5,783,200	5,783,200			-0-	-0-
UC Library North Court Addition			1,471,400	1,471,400			-0-	-0-
UC Nuclear Research Lab Addition, Phase II			1,659,600	1,659,600			-0-	-0-
UC Airport Crash Rescue Facility			275,800	275,800			-0-	-0-
Subtotal	(5,828,700)	(49,800,000)	(17,185,200)	(72,813,900)	(-0-)	(51,300,000)	(7,995,200)	(59,295,200)
2. Funds to Complete Bond-Eligible Buildings	-0-	235,300	57,600	292,900	-0-	70,600	-0-	70,600
3. Land	-0-	-0-	200,000	200,000	-0-	-0-	-0-	-0-
4. Equipment	571,600	1,567,000	455,000	2,593,600	200,100	1,511,700 ¹	313,000	2,024,800
5. Utilities	1,178,000	37,800	2,420,000	3,331,800	375,000	375,000	398,000	798,000
6. Remodeling and Rehabilitation	2,294,820	9,221,800	5,284,700	16,801,320	829,820	2,161,200	2,265,200 ²	5,256,220
7. Site Improvements	280,500	1,225,900	506,000	2,012,400	100,000	1,075,900	-0-	1,175,900
8. Planning								
CO Academic Building	195,000			195,000	-0-			-0-
MC School of Public Health		159,000		159,000		-0-		-0-
UC Life Sciences Teaching Lab			93,600	93,600			-0-	-0-
UC Engineering Library Addition			41,200	41,200			-0-	-0-
UC Turner Greenhouse			29,000	29,000			-0-	-0-
Subtotal	(195,000)	(159,000)	(163,800)	(517,800)	(-0-)	(-0-)	(-0-)	(-0-)
9. Cooperative Improvements	-0-	-0-	187,900	187,900	-0-	-0-	23,500	23,500
TOTAL	\$10,344,620	\$62,246,800	\$26,160,200	\$98,751,620	\$1,504,920	\$56,157,200	\$10,982,900	\$68,645,020

¹ Includes \$159,000 in Equipment for the School of Public Health.

² Includes \$1,086,000 in additional appropriations. (\$66,000 for AC Terminal Building at Willard Airport, and \$600,000 for remodeling old Large Animal Clinic into a Meats Laboratory and \$420,000 for remodeling College of Veterinary Medicine space.)

TABLE 2 — DETAILED FY 1976 CAPITAL BUDGET REQUEST AND FINAL APPROPRIATIONS

Project	Category	Original Request		Supplemental Request Additions		Signed by Governor		
		Approved BOT 9/16/74	Approved BTE 1/7/75	Approved BOT 2/19/75	Approved BTE 2/17/75	HB 289	HB 802	SH 468
Chicago Circle								
Library Addition	Buildings	\$ 5,828,700	-0-	-0-	-0-	-0-	-0-	-0-
Library Addition	Utilities	115,000	-0-	-0-	-0-	-0-	-0-	-0-
Science and Engineering Laboratory	Remodeling	929,800	412,020	\$ 840,220	\$ 850,000	\$ 412,020		
Science and Engineering Laboratory	Equipment	571,600	222,300	-0-	-0-	200,100		
Academic Building	Planning	195,000	-0-	-0-	-0-	-0-	-0-	-0-
Stack Emission Control System	Utilities	375,000	375,000	-0-	-0-	375,000		
Building Equipment Automation	Utilities	309,000	-0-	375,000	-0-	-0-		
Space Realignment, Plan — for FY77 Projects	Remodeling	50,000	-0-	-0-	-0-	-0-	-0-	-0-
Exterior Campus Lighting, Phase II	Site Improvements	60,000	100,000	177,500	177,500	100,000		
Campus Graphics Exterior	Site Improvements	43,000	-0-	-0-	-0-	-0-	-0-	-0-
Campus Security	Remodeling			57,000	57,000	-0-		
Roosevelt Road Building	Remodeling			417,800	417,800	-0-	417,800	
Subtotal, Chicago Circle		(\$ 8,477,100)	(\$ 1,109,320)	(\$1,867,520)	(\$1,562,300)		(\$ 1,504,920)	
Medical Center								
University Replacement Hospital	Buildings	49,750,000	57,250,000	-0-	-0-	51,250,000		
Peoria School of Medicine	Site Improvements	793,400	793,400	-0-	-0-	793,400		
Peoria School of Medicine	Funds to Complete	164,700	164,700	-0-	-0-	-0-		
9th Floor SUDMP	Remodeling	210,000	210,000	-0-	-0-	210,000		
Peoria School of Medicine	Funds to Complete	19,000	19,000	-0-	-0-	-0-		\$ 19,000
Peoria School of Medicine	Equipment	926,000	862,000	-0-	-0-	775,800		
Rockford School of Medicine	Equipment	491,000	491,000	-0-	-0-	441,900		
Dentistry Building, Phase II	Equipment	150,000	150,000	-0-	-0-	135,000		
Rockford School of Medicine	Utilities	37,800	37,800	-0-	-0-	37,800		
Rockford School of Medicine	Funds to Complete	51,600	51,600	-0-	-0-	-0-		51,600

TABLE 2 — DETAILED FY 1976 CAPITAL BUDGET REQUEST AND FINAL APPROPRIATIONS (Cont.)

Project	Category	Original Request		Supplemental Request Additions		Signed by Governor		
		Approved BOT 9/18/74	Approved BHE 1/7/75	Approved BOT 2/19/75	Approved BHE 2/17/75	HB 289	HB 802	SB 468
School of Public Health.....	Planning/ Equipment	159,000	159,000	-0-	-0-	159,000		
College of Medicine Space Vacated by Dentistry #1.....	Remodeling	2,461,100	2,092,000	-0-	-0-	1,674,200		
College of Medicine Space Vacated by Dentistry #2.....	Remodeling	827,200	-0-	-0-	827,200	-0-		
Pharmacognosy & Pharmacology Lab.....	Remodeling	270,000	-0-	-0-	270,000	-0-		
Instrument Shop Laboratory.....	Remodeling	22,000	-0-	178,000	200,000	-0-		
Basement & First Floor SUDMP.....	Remodeling	60,000	-0-	546,100	-0-	-0-		
Research and Library.....	Remodeling	23,000	-0-	-0-	-0-	-0-		
Second Floor Old Hlth Union.....	Remodeling	26,000	-0-	240,400	-0-	-0-		
Air Condition Pharmacy.....	Remodeling	63,000	-0-	-0-	-0-	-0-		
Fifth Floor General Hospital.....	Remodeling	10,000	-0-	90,000	-0-	-0-		
General Services Building.....	Remodeling	22,000	-0-	303,000	-0-	-0-		
University Security and Fire Alarm.....	Remodeling	175,000	77,000	298,000	473,000	77,000		
Rockford School of Medicine.....	Site Improvements	282,500	282,500	-0-	-0-	282,500		
Interconnect Chilled Water Lines.....	Remodeling	207,000	-0-	235,000	442,000	-0-		
Pharmacy Laboratories — Room 200.....	Remodeling	140,000	-0-	-0-	140,000	-0-		
OSHA Corrections.....	Remodeling	100,000	100,000	120,000	120,000	100,000		
Building Equipment Automation.....	Remodeling	105,000	-0-	250,000	395,000	-0-		
Liquid Storage Facility.....	Remodeling	50,000	50,000	-0-	-0-	50,000		
Air Condition 3rd Floor FUDMP.....	Remodeling	100,000	-0-	-0-	100,000	-0-		
Correct Building Code Violations.....	Remodeling	100,000	100,000	-0-	-0-	100,000		
Pharmacy Offices.....	Remodeling	100,000	-0-	-0-	100,000	-0-		
Exterior Lighting Graphics & Landscape.....	Site Improvements	-0-	-0-	150,000	150,000	-0-		
Elevator Renovation-General Hospital.....	Remodeling	-0-	-0-	275,000	275,000	-0-		
Elevator Renovation ISI.....	Remodeling	-0-	-0-	150,000	150,000	-0-		
Chiller in FUDMP.....	Remodeling	-0-	-0-	400,000	-0-	-0-		
Elevator Renovation-FUDMP.....	Remodeling	-0-	-0-	300,000	-0-	-0-		
Elevator Renovation-SUDMP.....	Remodeling	-0-	-0-	350,000	-0-	-0-		
Elevator Renovation-General Services.....	Remodeling	-0-	-0-	75,000	-0-	-0-		
Elevator Renovation-Research & Library.....	Remodeling	-0-	-0-	100,000	-0-	-0-		
Elevator Renovation-General Hospital.....	Remodeling	-0-	-0-	150,000	-0-	-0-		
Install Electric Hand Dryers.....	Remodeling	-0-	-0-	100,000	-0-	-0-		
<i>Subtotal, Medical Center.....</i>		<i>(\$57,896,300)</i>	<i>(\$62,890,000)</i>	<i>(\$4,350,500)</i>	<i>(\$3,642,200)</i>	<i>(\$56,086,600)</i>		<i>(\$ 70,600)</i>
Urbana-Champaign								
Airport Crash Rescue Facility.....	Buildings	275,800	-0-	-0-	-0-	-0-		
Airport Crash Rescue Facility.....	Utilities	14,000	-0-	-0-	-0-	-0-		
Turner Hall Addition.....	Buildings	7,933,200	7,933,200	-0-	-0-	7,933,200		
Turner Hall Addition.....	Utilities	86,000	86,000	-0-	-0-	86,000		
Turner Hall Addition.....	Funds to Complete	17,400	-0-	-0-	-0-	-0-		
Speech and Hearing Clinic.....	Funds to Complete	40,200	40,200	-0-	-0-	-0-		
Speech and Hearing Clinic.....	Equipment	250,000	170,000	-0-	-0-	153,000		
Law Building Addition.....	Buildings	5,783,200	-0-	-0-	-0-	-0-		
Law Building Addition.....	Utilities	498,000	-0-	-0-	-0-	-0-		
Life Sciences Teaching Laboratory.....	Planning	93,600	-0-	-0-	-0-	-0-		
Solid Waste Disposal Landfill.....	Co-op Improvements	100,000	100,000	-0-	-0-	23,500		
Airport Sewage Treatment.....	Utilities	56,000	-0-	-0-	-0-	-0-		
Architecture Building Safety.....	Remodeling	262,500	262,500	-0-	-0-	262,500		
English Building Renovation.....	Remodeling	250,000	250,000	-0-	-0-	250,000		
Visual Arts Laboratory.....	Remodeling	162,200	162,200	-0-	-0-	162,200		
College of Engineering.....	Remodeling	250,000	250,000	500,000	500,000	270,000		
Central Supervisory Control Center.....	Utilities	300,000	300,000	300,000	300,000	300,000		
Tennis Court Improvements.....	Site Improvements	44,000	-0-	58,000	-0-	-0-		
Library North Court Addition.....	Buildings	1,471,400	-0-	-0-	-0-	-0-		
Engineering Library Addition.....	Planning	41,200	-0-	-0-	-0-	-0-		
Veterinary Medicine.....	Remodeling	200,000	-0-	-0-	200,000	14,500		
Energy Conservation Heating Controls.....	Remodeling	105,000	105,000	102,000	102,000	105,000		
Residence Hall Conversion.....	Remodeling	20,000	-0-	-0-	-0-	-0-		
English Building Renovation.....	Remodeling	20,000	-0-	230,000	250,000	-0-		
College of Engineering.....	Remodeling	20,000	20,000	-0-	-0-	162,200		
Auditorium Roof Replacement.....	Remodeling	45,000	-0-	55,000	550,000	-0-		
Veterinary Medicine.....	Remodeling	20,000	-0-	280,000	300,000	-0-		
Freer Gym.....	Remodeling	150,000	-0-	-0-	150,000	-0-		
Abbott Power Plant Chimney.....	Utilities	565,000	-0-	-0-	-0-	-0-		
Visual Arts Laboratory.....	Equipment	160,000	-0-	-0-	-0-	144,000		16,000
Morrill Hall Animal Room.....	Equipment	20,000	-0-	-0-	-0-	-0-		
Residence Hall Conversion.....	Equipment	25,000	-0-	-0-	-0-	-0-		
Agriculture Replacement Land.....	Land	200,000	-0-	-0-	-0-	-0-		
Banoyard Creek Channel.....	Co-op Improvements	60,000	-0-	-0-	-0-	-0-		
Camпус Landscape Improvements.....	Site Improvements	75,000	-0-	-0-	-0-	-0-		
Nuclear Reactor Lab Addition, I.....	Buildings	1,659,000	-0-	-0-	-0-	-0-		
Nuclear Reactor Lab Addition, I.....	Utilities	175,500	-0-	-0-	-0-	-0-		
Botany Greenhouse.....	Planning	29,000	-0-	-0-	-0-	-0-		
Animal Room Improvements.....	Remodeling	245,000	-0-	-0-	245,000	-0-		
Electrical Modernization.....	Remodeling	65,000	-0-	-0-	65,000	-0-		
Residence Hall Conversion/Memorial Stadium.....	Remodeling	400,000	-0-	500,000	-0-	-0-		
Campus Water Main Extension-Planning.....	Utilities	25,500	-0-	-0-	-0-	-0-		
Peabody & Pennsylvania Street Improvements.....	Site Improvements	274,000	-0-	-0-	274,000	-0-		
Coble Hall Improvements.....	Remodeling	125,000	-0-	100,000	225,000	-0-		
Strauss Tunnel Improvements.....	Utilities	50,000	-0-	50,000	-0-	-0-		
Mathews Street Improvements.....	Co-op Improvements	27,900	-0-	-0-	-0-	-0-		
Volatile Storage Improvements.....	Remodeling	50,000	50,000	-0-	-0-	50,000		
Gregory Hall — Journalism.....	Remodeling	40,000	40,000	-0-	-0-	40,000		
Horticulture Field Laboratory.....	Remodeling	25,000	25,000	-0-	-0-	-0-		
Davenport Hall — Geography.....	Remodeling	50,000	-0-	35,000	-0-	-0-		25,000
Environmental Research Laboratory.....	Remodeling	44,900	-0-	-0-	-0-	-0-		
Commerce Offices.....	Remodeling	25,200	-0-	-0-	-0-	-0-		
Library Reference Room.....	Remodeling	31,500	-0-	-0-	-0-	-0-		
Airport Main Hangar.....	Remodeling	90,900	-0-	-0-	-0-	-0-		
Advanced Computation Building.....	Remodeling	25,000	-0-	-0-	-0-	-0-		
Campus Emergency Warning System.....	Remodeling	80,000	-0-	-0-	-0-	-0-		

TABLE 2 — DETAILED FY 1976 CAPITAL BUDGET REQUEST AND FINAL APPROPRIATIONS (Cont.)

Project	Category	Original Request		Supplemental Request Additions		Signed by Governor		
		Approved BOT 9/10/74	Approved BHE 1/7/75	Approved BOT 2/19/75	Approved BHE 2/7/75	HB 289	HB 802	SB 468
Speech and Hearing Clinic.....	Buildings	-0-	-0-	62,000	62,000	62,000		
Gregory Hall Stair Improvement.....	Remodeling	-0-	-0-	102,000	102,000	-0-		
Building Safety Improvements.....	Remodeling	-0-	-0-	67,000	67,000	-0-		
Lighting Improvements.....	Remodeling	-0-	-0-	61,500	61,500	-0-		
Stadium Drive Resurfacing.....	Site Improvements	-0-	-0-	55,000	-0-	-0-		
Terminal Building, Willard Airport.....	Remodeling	-0-	-0-	-0-	-0-	66,000	-0-	
Veterinary Medicine Research Animal Facility (\$300,000).....	Buildings	-0-	-0-	-0-	-0-	-0-	-0-	
Veterinary Medicine Small Animal Clinic Surgery & Obstetrics Lab and Basic Sciences Building.....	Remodeling	-0-	-0-	-0-	-0-	-0-	420,000	
Conversion of Old Large Animal Clinic into Meats Laboratory.....	Remodeling	-0-	-0-	-0-	-0-	-0-	600,000	
Agricultural Engineering Sciences Building (\$350,000).....	Planning	-0-	-0-	-0-	-0-	-0-	-0-	
Veterinary Medicine Basic Sciences Phase I (\$420,000).....	Planning	-0-	-0-	-0-	-0-	-0-	-0-	
Subtotal Urbana-Champaign.....		(\$23,152,700)	(\$ 9,954,100)	(\$3,007,500)	(\$3,453,500)	(\$ 9,855,900)	(\$1,020,000)	(\$ 41,000)
TOTAL.....		\$89,526,100	\$73,953,420	\$9,125,520	\$8,598,000	\$67,513,420	\$1,020,000	\$111,600

In general, the projects approved by the Board of Higher Education in January of 1975 were approved by the General Assembly and signed by the Governor. In addition, during the period from the presentation of the capital request to the completion of the legislative session, agreements were made to permit the use of the unfinished portion of the Public Health Laboratories at 2121 West Taylor to be used as a permanent headquarters of the School of Public Health at the Medical Center. The

General Assembly appropriated \$3,795,300 to the General Services Administration for the remodeling of this facility and the Governor has signed the bill.

House Bills 289 and 802 and Senate Bill 468, approved by the General Assembly and signed by the Governor, now await action by the University's Board of Trustees.

Reorganization of General University Structure

When Dr. Barry Munitz, Vice President for Academic Development and Coordination, indicated in the spring that he did not wish to be reappointed to that post at the end of this appointment year, it was decided a change in the general University organization was in order. Instead of three vice presidents, there would be two — one in academic affairs and the other in administrative affairs, effective August 21, 1975. Currently, the three vice presidencies are for planning and allocation, academic development and coordination, and governmental relations and public service.

Consequently, the Office of Vice President for Academic Development and Coordination is to be phased out and its functions combined with those of Vice President for Governmental Relations and Public Service Eldon L. Johnson. His new title will be Vice President for Academic Affairs.

The general responsibilities of the Office of Vice President for Academic Development and Coordination to be assigned to the Office of Vice President for Academic Affairs include responsibility (with the involvement of other personnel and of the chancellors and the president on policy matters) for the development of aca-

democratic relationships, coordination of the operation of various academic components of the University, and administration of University-wide educational programs.

Vice President Johnson has been at the University since 1966 when he was named vice president after serving as president of the Great Lakes Colleges Association in Detroit for four years. His title became Vice President of Governmental Relations and Public Service in 1973. He holds degrees from Indiana State University and the University of Wisconsin and honorary degrees from Dartmouth College, Indiana State, and the Universities of Maine, New Hampshire, and Rhode Island. A former president of the University of New Hampshire, he also has worked for the United States Department of Agriculture in Washington, at the University of Chicago, and the University of Oregon. He is a member of the Overseas Liaison Committee of the American Council on Education, and is a consultant for African universities.

Also effective August 21, 1975, the title of Vice President for Planning and Allocation will become Vice President for Administration. Dr. Ronald W. Brady holds that position. The change in title involves no change in functional responsibilities.



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FACULTY LETTER

FROM THE OFFICE OF THE PRESIDENT · UNIVERSITY OF ILLINOIS

No. 259, October 29, 1975

Operating and Capital Budget Requests for FY 1977

PRESENTED BY PRESIDENT JOHN E. CORBALLY TO BOARD OF TRUSTEES OCTOBER 15, 1975

At the regular meeting of the Board of Trustees held on October 15, 1975, President John E. Corbally presented the fiscal year 1977 (July 1, 1976, to June 30, 1977) operating and capital budget requests of the University.

A description of the request items was presented in the report titled "Budget Request for Operating and Capital Funds" which was prepared by the Vice President for Administration with concurrence of the University Planning Council, the University Budget Committee, and the three Chancellors.

The request, which has been approved by the Board of Trustees, will be forwarded to the Illinois Board of Higher Education.

OPERATING BUDGET REQUEST

The operating budget request is divided into three components totaling \$29,276,300: (1) Continuing Components (\$20,158,200), (2) Programmatic Components (\$7,595,600), and (3) Special Services and Special Funding Components (\$1,522,500). The first two comprise the mainstream of the University's operating request; the third contains the request for essential services provided to the State by the University.

Continuing Components

SALARY INCREASES

The administration is requesting sufficient funds to annualize the 7 per cent increase in FY 1976 and to grant 7.5 per cent average raises in FY 1977. This request has taken into account comparative market analyses of wages and purchasing power in Urbana-Champaign and in Chicago, and estimates of inflation rates projected to occur between June 1975 and September 1977, as well as the fiscal realities within the State of Illinois.

GENERAL PRICE INCREASES

A 7 per cent general price increase is requested for FY 1977 to partially offset the declining purchasing power which the University, as a consumer, has incurred. The inflation increase from June 1974 to June 1975 was

10.8 per cent for all products and services (excluding utilities) purchased by the University. The University is presently examining its method of purchasing services and products to more efficiently analyze the use of funds at its disposal. However, regardless of the sophistication of the system, the University has not been able to keep pace with inflation. The 7 per cent figure was arrived at from analysis of the past effect of inflation and was based on the parallel between the purchasing power of the University and the individual.

UTILITY PRICE INCREASES

Determination of the 20 per cent requested increase for utilities for FY 1977 took careful consideration of many factors which affect utility prices. Historical trends show that approximately 45 per cent of the University's utility bill is spent on fuel oil for heating, 40 per cent on electricity, 9 per cent on steam, 2 per cent on natural gas, and 4 per cent on water. It is difficult to predict accurately what will happen to the prices of these utilities; however, there are indications that these costs will go up in the future. The following summarizes these indications:

1. On November 15, 1975, the present control on domestic oil produced from wells before May 15, 1973, will expire under an agreement between President Ford and Congress. Without the control authority, the price of oil per barrel could approach the world market level.
2. The oil exporting countries agreed to raise prices by 10 per cent on October 1, 1975.
3. Electricity provided by Commonwealth Edison in Chicago is produced from low sulphur coal from the western states; because the costs of mining and transporting coal are increasing, electricity costs will also rise.
4. Electrical companies pass their increased costs to the consumer.
5. The production of steam, high temperature hot water, and chilled water require the inputs of water, natural

gas and/or fuel oil, and electricity; these costs have risen 30 per cent in the past twelve months.

Over the past year, steps have been taken to conserve energy where possible. At Urbana-Champaign, approximately \$90,000 in electricity charges were saved through the telephone energy alert program. During peak load periods, about ten days during the summer months between 10:00 a.m. and 3:00 p.m., offices were called and requested to turn off air conditioners and other electrical appliances for short periods of time. At the Chicago campuses, significant savings were achieved by balancing hydronic systems, reducing lighting loads, and more efficiently using refrigeration equipment.

To achieve further savings, two types of capital improvements are needed. First, to control the transfer of heat the following should be added: weather stripping and caulking, translucent insulating panels in place of glass, and storm windows. Additionally, Central Supervisory Control Centers at Urbana-Champaign and Building Equipment Automation at the Chicago campuses, which would allow O&M personnel to routinely shut off energy consuming devices when an area is not in use, are in the initial phases and are estimated to achieve a savings of 15 per cent of the energy used in any building connected. Other additions include air-to-air heat exchangers in exhaust stacks and "free-cooling" coil arrangements for areas which must be cooled twelve months.

The second type of improvement is ventilation reduction in existing buildings. Nationwide, universities are beginning to reduce ventilation from the original design conditions to those consistent with use and occupancy of the building.

However, even with these attempts to conserve energy consumption, an increase of 20 per cent is still needed to offset the effects of rising costs and inflation.

OPERATING COSTS FOR NEW FACILITIES

Operating funds for new facilities in FY 1977 are requested for: (1) recently constructed buildings; (2) University buildings which have not been operated by the University in the past; and (3) private hospitals which are affiliated with the University's medical education program. Eleven facilities are included in this category: four at the Medical Center, four at Urbana-Champaign, and three at affiliated hospitals. The request for the affiliated hospitals is made in concurrence with a recommendation by the Board of Higher Education Commission that the State fund the operations and maintenance costs of space in affiliated hospitals for which capital grants have been given and that these funds be part of the annual operating request.

Programmatic Components

CONTINUING EDUCATION

As a statewide resource, the University serves the citizens through its public service mission. The University

extends its knowledge to the public through continuing education for the professions, agriculture, and other varied audiences. Public demand for genuine "alternative education" off-campus has been rising at a time when on-campus enrollments are tapering off. Thus, reaching the new audiences has been added to the University's public service mission. To meet these obligations, \$1,595,000 for continuing education is requested for FY 1977.

In addition, \$45,000 for FY 1977 is requested for the development of studio facilities, acquiring needed equipment, and hiring of a core staff for a public radio station in the Chicago area to be operated by the University. Presently, the Chicago area has the dubious distinction of being the largest metropolitan area without a public AM radio station. A license application would be filed during FY 1976 to the Federal Communications Commission, and if approved, the above funding would be required for FY 1977. The AM facility in question is currently under the call letters WVON, 1450 KHZ.

EXTENDED DAY AT CHICAGO CIRCLE

The Chicago Circle campus is seeking to extend its hours of operation from 8:00 a.m. to 5:00 p.m. Monday through Friday to 8:00 a.m. to 10:00 p.m. Monday through Thursday and 8:00 a.m. to 5:00 p.m. on Friday. The objective of this program is to provide increased educational opportunity and access to residents of the Chicago metropolitan area who have not been able to pursue educational endeavors for a variety of reasons. It is anticipated that 1,700 students would be enrolled during the extended hours, 1,200 of which would be incremental to the campus. Additionally, it is expected that the extension of hours will achieve a greater utilization of the campus' physical facilities and faculty and achieve a reduction of costs per FTE student from \$2,808 to \$2,750 in FY 1977. This cost is expected to continue to fall with each year of operation. To begin this program, intended for degree candidates who will be taught by the same faculty as day students, \$1,650,000 is requested for FY 1977.

EXPANSION IN HEALTH RELATED FIELDS

Health related expansion pertains to both the Medical Center and the College of Veterinary Medicine at Urbana-Champaign. Funding at the Medical Center is requested for the continued planned enrollment expansion of 350 students during FY 1976 and FY 1977. The amount required for this continued development is \$3,955,600. To improve and expand the programs offered by the College of Veterinary Medicine, \$350,000 is requested for FY 1977.

Special Service and Special Funding Components

These components of the University's operating budget request provide essential services to Illinois residents. The programs are managed by the University but remain outside of its instruction, research, and public

service programs. Funding for each program is requested based on need and should not be in competition with educational funds requested. The following summarizes the University's operating request for these programs.

1. Special Service Components	
Veterinary Diagnostic Laboratory . . .	(\$ 280,900)
Division of Services for Crippled Children	(300,000)
Police Training Institute	(313,000)
Willard Airport-Commercial Operations	(237,100)
<i>TOTAL</i>	\$1,161,000
2. Special Funding Components	
Cooperative Extension Service	(\$ 183,000)
County Board Matching Funds	(178,500)
<i>TOTAL</i>	\$ 361,500
<i>Total Increment</i>	\$1,522,500

Summary of New Funds Requested

FY 1977 OPERATING BUDGET (Thousands of Dollars)		Percent of Request
I. Continuing Components		
A. Salary Increases (7.5%)	\$14,035.4	50.57
B. General Price Increases (7.0%)	2,096.3	7.55
C. Utility Price Increases (20.0%)	2,331.0	8.40
D. Operating Costs for New Facilities	1,695.5	6.11
(Subtotal)	\$20,158.2	72.63
II. Programmatic Components		
A. Continuing Education	\$ 1,610.0	5.91
B. Extended Day	1,650.0	5.95
C. Expansion in the Health Related Fields	4,305.6	15.51
(Subtotal)	\$ 7,595.6	27.30
<i>FY 1977 Request — Total</i>	\$27,753.8	100.00

Capital Budget Request

SUMMARY OF THE FY 1977 CAPITAL REQUEST

The total capital program requested from State funds for FY 1977 is \$36,989,500 exclusive of reappropriations. Table 1 provides a listing of the estimated State funds required in FY 1977 for the building projects and budget categories by campus.

This Capital Budget Request recognizes the need to preserve and remodel existing buildings for more efficient and more effective utilization. The new buildings which are requested are library additions, replacement buildings, special purpose buildings, and minor additions which are closer in scope to remodeling projects than to building requests.

The major requests for the Chicago Circle campus

are for (1) a library addition for which planning funds were appropriated in FY 1975, (2) continuation of remodeling in the Roosevelt Road Building and the Science and Engineering Laboratory, and (3) continuation of the Building Equipment Automation Program. The thrust of the capital program at Chicago Circle is to complete the library addition which will accommodate the projected enrollments for several years and to begin remodeling the campus space to reflect the changing mission of that campus.

The Medical Center request includes no new buildings but continues the trend of the past several years of upgrading space and remodeling vacated areas for expanding programs. The next five years will see the completion of the replacement hospital and the conversion of the old hospital space into academic space for the colleges at the Medical Center.

The Urbana-Champaign campus is comprised of some of the oldest buildings of all of the public universities in Illinois. Over one-third of the space on this campus was built before 1930 and much of it is in old houses and wood frame structures. It is the University's intention to replace or remodel much of this space in the next ten years. The Urbana-Champaign campus also has the responsibility for expanding some special purpose buildings during this period, e.g., Library Stacks, Law Building, Nuclear Reactor Laboratory. The FY 1977 capital request is composed of three buildings (Library Sixth Stack Addition, Botany Greenhouse, and Nuclear Reactor Laboratory Phase II) and planning funds for five buildings for FY 1978 in addition to the remodeling projects.

The Scope and Mission of the University of Illinois 1974-80 lists seven major buildings which will be required by the University. Of the seven, two buildings, both libraries, are requested for FY 1977; the Replacement Hospital was approved for FY 1976; the Law Building Addition will be requested in FY 1978; an office building at Chicago Circle has been deferred pending the development of a campus plan, and the remaining two buildings are future library additions at Urbana-Champaign.

The remainder of the decade will see continuous remodeling at the Chicago campuses — to accommodate the shifting enrollments at Chicago Circle and to provide for program expansion at the Medical Center. At the Urbana-Champaign campus the needs are for replacement buildings, special purpose buildings, and remodeling for space realignment and rehabilitation.

The University estimates it will require approximately 25 to 30 million dollars per year over the next five years to replace buildings and to maintain the present buildings. It is planned for 6 million dollars to be requested for space realignment, remodeling, and replacement in the capital budget; 6 million dollars to be requested for major remodeling in the capital budget; and 10 to 15 million dollars to be requested for new buildings. Table 2 shows the proposed building requests for the next five years.

TABLE 1 — SUMMARY OF FY 1977 CAPITAL BUDGET REQUESTS
(Total Dollars Requested by Each Campus)

	<i>Chicago Circle</i>	<i>Medical Center</i>	<i>Urbana- Champaign</i>	<i>Total</i>
Buildings, Additions, and/or Structures.....	\$ 7,375,100	-0-	\$ 7,793,200	\$15,168,300
Library Addition	(7,375,100)			
Vet Med Research Buildings.....			(366,400)	
Physics Lab Research Addition.....			(119,800) ¹	
Ornamental Horticulture Addition.....			(29,700)	
Library Sixth Stack Addition.....			(3,978,900)	
Nuclear Reactor Lab, Phase II.....			(1,955,600)	
Botany Greenhouse			(1,342,800)	
Funds to Complete Bond-Eligible Buildings.....	43,000	213,700	45,100	301,800
Land.....	-0-	-0-	350,000	350,000
Equipment.....	690,500	4,003,400	730,000	5,423,900
Utilities.....	221,000	-0-	1,147,500	1,368,500
Remodeling and Rehabilitation.....	2,150,600	7,204,400	3,039,300	12,394,300
Site Improvements.....	350,500	-0-	546,500	897,000
Planning.....	-0-	182,000	730,800	912,800
Cooperative Improvements.....	110,000	-0-	62,900	172,900
<i>TOTAL</i>	\$10,940,700	\$11,603,500	\$14,445,300	\$36,989,500

¹ \$100,000 available from federal funds in addition to \$119,800 from State funds.

TABLE 2 — PROPOSED PLANNING AND BUILDING REQUESTS FOR MAJOR BUILDINGS FY 77-81
(In Thousand Dollars)

<i>Campus</i>	<i>Project</i>	<i>FY 77</i>	<i>FY 78</i>	<i>FY 79</i>	<i>FY 80</i>	<i>FY 81</i>
CC	Library Addition	\$ 7,808.6	\$ 107.8			
MC	University Replacement Hospital.....	3,000.0	4,000.0			
MC	Rockford School of Medicine.....	49.1				
MC	Peoria School of Medicine.....	314.9				
UC	Turner Hall Addition.....	400.0	655.5			
UC	Speech and Hearing Clinic.....	215.1				
UC	Library Sixth Stack Addition.....	4,408.9	67.6			
UC	Nuclear Reactor Phase II.....	2,150.1	200.0	\$ 209.3		
UC	Botany Greenhouse	1,695.3	115.1			
UC	Life Sciences Teaching Lab.....	(141.8)	6,669.6	150.0	\$ 353.7	
UC	Vet Med Basic Sciences Phase I.....	(200.5)	9,535.1	160.0	389.1	
UC	Law Building Addition.....	(126.0)	5,539.1	464.0		
UC	Engineering Library Stack.....	(50.9)	2,255.5	175.0	87.0	
UC	Agricultural Engineering Building.....	(156.6)	7,950.4	100.0	340.0	
UC	Research Animal Facility.....		(18.1)	699.7	200.0	\$ 63.8
UC	Library North Court Addition.....		(40.4)	1,758.0	130.0	122.4
UC	Architecture Building		(148.8)	8,234.9	160.0	185.0
UC	Pilot Training Facility			(17.2)	619.5	
UC	Fire and Police Station.....			(38.5)	1,533.6	
UC	Library South Wing.....			(113.6)	4,987.8	100.0
UC	Nuclear Reactor Lab III.....			(35.9)	1,388.7	135.0
UC	Aviation Research Lab.....				(57.2)	2,307.6
UC	Car Pool Maintenance.....				(27.4)	1,380.4
UC	Medical Life Science Library.....				(111.5)	4,930.8
UC	Swine Research Complex.....				(49.7)	1,967.7
UC	Vet Med Basic Science Phase II.....					(88.5)
UC	Geology Building					(125.0)
UC	Kranert Art Museum Addition.....					(25.0)
	<i>TOTAL BUILDING</i>	\$19,682.0	\$37,095.7	\$11,951.8	\$10,189.4	\$11,192.7
	<i>TOTAL PLANNING</i>	(\$ 675.8)	(\$ 207.3)	(\$ 205.2)	(\$ 245.8)	(\$ 238.5)

Building costs include funds to complete, utilities, and equipment. All cost estimates are in FY 1977 dollars. Planning requests are shown in parentheses.

President's Statement on Non-Discrimination, Equal Opportunity Compliance

President John E. Corbally sent the following letter on September 15, 1975, to the three Chancellors in regard to the University being in full compliance with all Federal and State Non-Discrimination and Equal Opportunity Laws, Orders, and Regulations, including the more recent Title IX of the Education Amendment:

In 1973, I wrote: "Progress for these employees (minorities and women), and for those who come to the University seeking jobs, will not result from just having an Affirmative Action Plan, or by just reading an Affirmative Action Plan." I called upon supervisors to work to achieve the University's equal opportunity objectives in the areas of hiring, training, and promoting.

Since then, efforts have been made to eliminate any salary differentials between male and female staff members having the same qualifications, responsibilities, and merit, a commitment made in the Affirmative Action Plan. To avoid the possibility of inequities developing in the future, male and female salaries are regularly monitored.

Also as pledged in the Affirmative Action Plan, there has been added emphasis on recruiting, training, and upgrading nonacademic women and minority employees. Special affirmative action procedures have been established for the recruitment, appointment, and promotion of academic staff members.

While many persons, either individually or as members of committees concerned with affirmative action, play an active role in assuring that equal opportunity is provided in the hiring, retention, training, transfer, promotion, and upgrading of all employees, without regard to race, age, religion, color, national origin, or sex, there is at the University administration level, a University Council on Equal Opportunity. Among other concerns, this Council keeps abreast of Federal and State legislation having affirmative action implications, such as Title IX of the Education Amendments.

The University of Illinois is in full compliance with all Federal and State Non-Discrimination and Equal Opportunity Laws, Orders and Regulations, and will not discriminate against any person because of race, color, sex, religion, or national origin in any of its educational programs and activities. Title IX of the Education Amendments of 1972 and regulations issued thereunder require the University of Illinois not to discriminate on the basis of sex in its educational programs and activities, including the areas of employment and admissions.

For additional information on the equal opportunity and affirmative action policies of the University, please contact on the Urbana-Champaign campus Walter Strong in the Office of the Vice Chancellor for Academic Affairs at 201 Coble Hall for academic personnel and James Ransom, Jr. in the Office of Equal Opportunity, Affirmative Action for Non-academic Personnel at 52 East Gregory; on the Chicago Circle Campus, Nan McGehee in the Chancellor's Office, 2801 University Hall; and on the Medical Center Campus, Anthony Diekema in the Office of the Chancellor, 414 Administrative Office Building, 1737 West Polk Street.

While we are doing what is required by Federal and State laws, I ask each of you, supervisors and supervised, to walk that extra mile and make the University of Illinois as distinguished and respected for its affirmative action and equal opportunity conduct and achievement as it is for its excellence in academic disciplines.

While by law the University is obligated to carry out affirmative action and equal opportunity objectives, I still feel in 1975 as I did in 1973 when I wrote, "Real progress cannot be made on paper alone. Help take affirmative action off paper and put it into daily practice. It's the RIGHT THING TO DO."

John E. Corbally
President

President's Statement on Reorganization of Office of Academic Affairs

SENT BY PRESIDENT JOHN E. CORBALLY TO GENERAL OFFICERS OCTOBER 2, 1975

Recent reorganization is designed to consolidate and strengthen the academic dimension of University administration. For this purpose, some steps have already been taken and others are hereby authorized.

Matters of general University administration will henceforth flow to the President in two streams, through two Vice Presidents: one for Administration and one for Academic Affairs. The President and Chancellors, with other general officers, meet monthly as the University Policy Council.

Assisting the Vice President for Academic Affairs are two Associate Vice Presidents, representing the public service functions and academic affairs generally, and the Director of Federal Relations and Special Projects (Michael O'Keefe). The Associate Vice President for Public Service (John B. Claar, who is also Director of the Cooperative Extension Service) deals with continuing education and direct off-campus services, including a statewide field network and certain University-wide units

(Police Training Institute, Visual Aids Service, and Firemanship Training). The Associate Vice President for Academic Affairs (Victor J. Stone) deals with other academic affairs involving teaching and research, including certain University-wide units (University Press, Survey Research Laboratory, Institute of Government and Public Affairs, Robert Allerton Park, and the University Office of School and College Relations).

I have officially created (in place of the previous larger, unofficial body) a University Academic Council, to consist of five members: the Vice President for Academic Affairs, who shall be Chairman, and the campus chief academic officers at or above the Vice Chancellor level. In terms of incumbents, the Council will, therefore, currently consist of:

Eldon L. Johnson, Vice President for Academic Affairs (Chairman)
Joseph S. Begando, Chancellor, Medical Center Campus (The new position of Vice Chancellor for

Academic Affairs at the Medical Center has not yet been filled.)

George W. Magner, Acting Vice Chancellor for Academic Affairs, Chicago Circle

George A. Russell, Vice Chancellor for Research, Urbana

Morton W. Weir, Vice Chancellor for Academic Affairs, Urbana

While the Council itself will not exceed this small number for effective working relations and direct operating responsibility, its consultation and cooperation with resource personnel on special issues will be expected.

The University Academic Council will have these major responsibilities:

1. To help articulate the academic point of view in the administration of the University's affairs.
2. To recommend academic policy to the Chancellors and President.
3. To facilitate the exchange of information among academic officers.
4. To facilitate the administration of common policy and procedure when arrived at.
5. To monitor intercampus academic relations with a view to realizing the benefits of a single University "system."

In view of my own ultimate responsibility for academic affairs and for administration in general, I am also seeking further coordination by asking the academically oriented University Councils to make their recommendations to me through the University Academic Council. The purpose is to have all such recommendations sent on to me with such observations as the University Academic Council shall see fit to make.

As a companion piece, to produce more participation "closer to the action," chairmanships of the University-wide Councils will be more widely distributed. As a first step, the pattern for 1975-76 will be as follows:

University Council on Libraries (chaired by a librarian, rotating among campuses)

University Council for Environmental Studies (chaired by a faculty member, rotating among campuses)

University Council on Federal Relations (chaired by the Director of Federal Relations and Special Projects)

University Council on Health Affairs (chaired by the Chancellor of the Medical Center Campus)

University Council on Public Service (chaired by the Vice President for Academic Affairs)

University Council on Graduate Education and Research (chaired by the Vice President for Academic Affairs)

I am also instructing the University Academic Council to promulgate concrete procedures for eliciting the points of view of the other named Councils and for maximizing two-way communication on matters of intersecting interests.

The University of Illinois policy is to be in full compliance with all Federal and State Non-Discrimination and Equal Opportunity Laws, Orders and Regulations, and it will not discriminate against any persons because of race, color, sex, religion, or national origin in any of its educational programs and activities. Title IX of the Education Amendments of 1972 and regulations issued thereunder require the University of Illinois not to discriminate on the basis of sex in its educational programs and activities, including the areas of employment and admissions.

Vice President Ronald W. Brady has been designated as the University Equal Opportunity Officer for the University of Illinois. For additional information on the equal opportunity and affirmative action policies of the University, please contact:

For the general university, Dean Barringer, 349 Administration Building, Urbana, Ill. 61801 (217-333-1563).

For the Urbana-Champaign campus, academic personnel, Walter Strong, Office of the Vice Chancellor for Academic Affairs, 201 Coble Hall, Champaign, Ill. 61820 (217-333-0389); and for nonacademic personnel, James Ransom, Jr., Office of Equal Opportunity, Affirmative Action for Nonacademic Personnel, 52 East Gregory, Champaign, Ill. 61820 (217-333-2147).

For the Chicago campus, Nan McGehee, Office of the Chancellor, 2801 University Hall, P.O. Box 4348, Chicago, Ill. 60680 (312-996-4878).

For the Medical Center campus, Anthony Diekema, Office of the Chancellor, 414 Administrative Office Building, 1737 West Polk St., P.O. Box 6998, Chicago, Ill. 60680 (312-996-8060).

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FACULTY LETTER

FROM THE OFFICE OF THE PRESIDENT · UNIVERSITY OF ILLINOIS

No. 260, February 11, 1976

Statement on IBHE Budget Recommendations for FY 1977

PRESENTED BY PRESIDENT JOHN E. CORBALLY TO BOARD OF TRUSTEES JANUARY 21, 1976

OPERATING BUDGETS

The advice which the Illinois Board of Higher Education will provide to the General Assembly and to the governor concerning appropriations in support of higher education in Illinois for Fiscal Year 1977 was approved by the IBHE on January 6, 1976. Following this action of the IBHE there was the usual confusion in the press, which regularly fails to differentiate among the advising function of the IBHE in budgetary matters, the appropriations functions of the General Assembly and of the governor, and the governing and allocating functions of the governing boards of the systems of public higher education. Thus we read headlines such as "IBHE Raises Tuition" or "Student Tuition to Support Salary Increases" as if IBHE advice represents some sort of final decision. Reports of IBHE advice also fail to recognize the authority of this Board of Trustees to allocate all University funds among the campuses and other functional units of the University of Illinois. The University is recognized by the General Assembly and by the executive branch of government as a single university, and IBHE data on a campus-by-campus basis are for purposes of calculation rather than of allocation. These concepts should be kept firmly in mind by all who read reports of so-called IBHE "budget actions."

While most of the public attention to IBHE budgetary advice for FY 1977 has focused upon tuition recommendations (a focus which has been strengthened by the simultaneous conduct by the IBHE of public hearings on the proposed MP IV in which tuition proposals have been the major topic of discussion), the tuition question is not the major item upon which either we or the General Assembly and the governor should concentrate. Rather, the statement of and endorsement of the needs of public higher education as presented in the IBHE documents are the crucial elements.

For the first time since I have been involved with IBHE budget recommendations starting in 1971, the so-called "new money gained through productivity or reallocation" has been eliminated. The IBHE has finally recognized that appropriations which have consistently

fallen short of inflation rates have required enormous efforts in productivity and reallocation on the part of public universities, and that these efforts have enabled us only to lose ground slowly rather than to create new money for new efforts. I will not burden you again today with a recitation of the ways in which inadequate appropriations have begun to erode our quality — both in terms of our ability to pay competitive salaries and of our ability to provide support services to our faculty and staff. We are not this year faced with IBHE budget documents which pretend that we can support millions of dollars worth of salary increases or of other cost factors by consuming our own bodies through a process called productivity. We are highly productive; we shall remain so; and we are pleased that this fact has been recognized.

Second, while I, my administrative colleagues, and you are being criticized in some quarters for our failure to match other institutions in developing massive budget request figures, I am not yet prepared to state that the General Assembly and the governor will find our budgetary restraint either poor tactics or poor advocacy. The Board of Higher Education budget documents support an increase in our appropriations of \$21,233,300 as opposed to our request for \$29,276,300. However, the IBHE documents calculate the support of the continuation of our expansion of programs in health professions in a manner different from our method. Had we used the IBHE method, our request for new funds would have totaled \$26,780,400. Thus the IBHE recommendation differs from our request in an amount of \$5,547,100. This difference is made up of the following components:

Item	UI Request	IBHE Support	Difference
Salary	\$14,035,400	\$13,060,600	(\$ 974,800)
Price Increases....	4,427,300	4,259,900	(167,400)
New Expanded Programs.....	6,622,200	3,076,500	(3,545,700)
O&M (New Bldgs.)...	1,695,500	836,300	(859,200)
Total.....	\$26,780,400	\$21,233,300	(\$5,547,100)

The major difference between the IBHE budget advice and our request is in the area of new programs. We

find this difference regrettable because we can find no rationale which leads us to believe that our very few program proposals deserved such rejection. If we — and you — are to be faulted in our advocacy on behalf of the University of Illinois, it is in this area of new programs that we are most vulnerable and it is in this area that we are currently reviewing our relationships with the IBHE most vigorously. In a period, for example, when continuing education is viewed as a major need of society we find it impossible to understand the basis for the total rejection by the IBHE of our program requests in this field.

With regard to salaries, our request for funds to support increases averaging 7.5 percent was cut to funds to support increases averaging 7 percent using a formula which provides 7 percent of 95 percent of our personal services base — a formula which creates considerable difficulty in achieving increases averaging 7 percent. Other systems which recommended increases as high as 20 percent were also reduced to increases at this 7 percent level. I find much more merit in arguing on behalf of the realistic and of the possible than in playing games which lead people to believe that the impossible is possible. I know how our salaries have lagged and I intend to work as hard as possible to preserve our ability to grant salary increases which will average about 7 percent. Even if all of us involved can get together and work together to achieve that level of increase, it is entirely possible that we will achieve less. Today's climate is not one in which we should make great claims to overcome losses; we must work hard to avoid new losses and the more united our voice can be, the better our slim chances of success.

All in all, it seems to me that the crucial factor is to recognize that the "bottom-line" increase recommended by the IBHE for the University of Illinois is a serious

attempt by the IBHE, based upon a similar attempt by our Board of Trustees, to recognize legitimate and essential needs during a time of constrained resources. We must not permit debate about tuition policy, about access, and about aid to other components of higher education in Illinois to divert our attention and the attention of the General Assembly, of the governor, and of the people of Illinois from the fact that we and the IBHE are in reasonable agreement concerning the minimum funding necessary to maintain the quality and the service of the University of Illinois.

CAPITAL BUDGETS

The University of Illinois submitted capital budget requests for FY 1977 in the amount of \$37,168,361 and the IBHE documents support an amount of \$22,131,950. Within a framework of funds available for capital development, the IBHE had to reduce requests from the systems totaling \$247,857,117 to recommendations totaling \$97,929,769, or a reduction to about 40 percent of requests. In this process, several projects of major importance to the University of Illinois have been deferred, including particularly a \$4,000,000 addition to the library stacks at Urbana-Champaign, over \$2,000,000 for phase two of the nuclear reactor laboratory at Urbana-Champaign, and about \$1,700,000 for botany greenhouses at Urbana-Champaign. On the positive side, however, and of crucial importance is IBHE approval of \$4,360,250 for space realignment, remodeling, and replacement on our three campuses. This program will permit the timely and efficient preservation of physical plants in which the people of Illinois have a major investment, and will enable us to adapt old space for new uses at great savings in time and in money.

Detailed Comparison: UI Budget Request, IBHE Recommendations

OPERATING BUDGET

Table 1 shows the detailed comparison of the University's operating budget request with the Board of Higher Education's recommendations.

General Price Increases

The IBHE recommended a 7 percent increase for expense items and a 10 percent increase for equipment. The increased amount for equipment was recommended because appropriations in recent years have not been sufficient to replace equipment and library books.

Utility Price Increases

The recommendation of a 15 percent increment instead of the 20 percent requested on the FY 1976 utility base was made on the assumption that, while utility prices would continue to rise faster than other prices, they were not increasing as fast as in recent years and that

the University would continue to show savings in the amount of energy consumed.

Operating Funds for New Buildings

The new buildings to be opened in FY 1977 were uniformly funded at \$2.10 per gross square foot with the exception of the Veterinary Medicine Feed and Storage Building at Urbana-Champaign and the Liquid Storage Facility at the Medical Center; these buildings were funded at a lesser amount. The request to fund the operation and maintenance of Memorial Stadium and the University Ice Rink was not approved.

Continuing Education and Extended Day

The request for funds for continuing education was not approved and the request for the Extended Day program at Chicago Circle was reduced by \$850,000 (approximately 50 percent). The IBHE recommended that the development of the Extended Day program be de-

veloped over a period of five years instead of three years as proposed by the University.

Expansion in Health Related Fields

The IBHE recommended that the University receive an additional \$1,000,000 for health-related expansion at the Medical Center and \$200,000 for expansion of the College of Veterinary Medicine at Urbana-Champaign. The IBHE also recommended that a nonrecurring appropriation of \$2,495,900 from FY 1976 for operation of 1919 West Taylor be reallocated to health expansion for FY 1977. This amount will allow the University to admit an additional 109 students in health-related curricula, bringing the number of additional students to 350 during the Fiscal Years 1976 and 1977.

Special Services and Special Funding Components

The IBHE recommended \$150,000 for the Division of Services for Crippled Children, \$83,000 for the Police Training Institute, \$15,000 for the Cooperative Extension Service, and \$178,500 for county board matching funds. No recommendation was made on the commercial operations of Willard Airport. The University will negotiate this request (\$237,100) with the Bureau of the Budget and the staffs of the General Assembly Appropriation Committees.

Other Recommendations

The board made recommendations for some funds which were not requested directly by the University. The funds for equipment mentioned earlier were part of the general price increases request; in addition to these funds, the IBHE recommended an additional \$250,000 for equipment at Urbana-Champaign based on need shown in special analytical studies submitted in the past two years.

An additional \$650,000 was recommended for Urbana-Champaign for space realignment, remodeling, and replacement, the concept which prescribes funding levels needed at each campus to prevent deterioration of the physical facilities. This amount is for those space realignment, remodeling, and replacement (SR³) projects which cannot be funded from Capital Development Bond Funds in the capital budget.

The IBHE recommended \$18,664,300 for retirement to allow for the annual payout. The University requested the minimum statutory requirement of \$33,966,100.

CAPITAL BUDGET

The capital budget request of the University of Illinois for FY 1977 was \$36,989,500 as reported in *Faculty Letter* no. 259, October 29, 1975. The total capital budget request was increased to \$37,168,361 as a result of the Board of Higher Education's acceptance of the space realignment, remodeling, and replacement (SR³) concept. The University proposed that, if the SR³ concept was approved, the request of \$6,041,261 would replace projects totaling \$5,862,400. Table 2 shows the request (including SR³) and the recommendations of the Board of Higher Education by campus and by budget category.

No new building projects were approved, although building projects with prior appropriations (such as the Library Addition at Chicago Circle, the Speech and Hearing Clinic at Urbana-Champaign, the Peoria School of Medicine, and the School of Public Health at the Medical Center) were continued. In keeping with the stated guidelines, the major emphasis of the IBHE recommendations was on remodeling and rehabilitation, funded both as major remodeling and as space realignment, remodeling, and replacement. Funds were also recommended for equipment associated with ongoing building projects and ongoing and new remodeling projects. Central supervisory control at Urbana-Champaign was the only utility request approved in the utility category, although some other utility projects were approved as part of SR³. The only site improvement approved was security lighting at Chicago Circle. No requests for land or cooperative improvements were approved. Planning funds were approved for three buildings at Urbana-Champaign (Veterinary Medicine Basic Sciences Phase I, Law Building Addition, and Engineering Library Stack Addition) and two major remodeling projects (ventilating and air conditioning of the Pharmacy Building at the Medical Center and Auditorium roof replacement at Urbana-Champaign). Planning funds for the Life Sciences Teaching Laboratory and the Agricultural Engineering Building were not approved.

TABLE 1 — COMPARISON OF UI OPERATING BUDGET REQUEST FOR FY 1977 WITH IBHE RECOMMENDATIONS (IN THOUSANDS OF DOLLARS)

	IBHE		UI Request	IBHE	
	Request	Recommendations		Recommendations	
Salary Increases	17.5%	\$14,035.4			\$ 250.0
General Price Increases	(7.0%)	2,096.3			150.0
Equipment				\$ 300.0	
Utilities	20.0%	2,331.0			
O&M New Buildings		1,695.5			
Continuing Education		1,640.0			
Extended Day		1,659.0			
Health Expansion		1,459.7*			
Veterinary Medicine		350.0			
SR ³ — UC		650.0			
Equipment — UC					
DSCC					
Veterinary Diagnostic Laboratory					
Police Training					
Cooperative Extension					
County Board Matching Funds					
Willard Airport					
Total			(11.3%)	\$26,780.4	(9.0%) \$21,233.3

* The IBHE recommended \$1,000,000 for health expansion, but agreed to adjust the FY 1976 base by \$2,495,900 which had the same effect as recommending a \$3,495,900 increment for health expansion.

** No recommendation; this will be negotiated with the Bureau of the Budget.

TABLE 2 (Continued)

Category and Project	Approved BOT 10/15/75	Approved IBHE 1/6/76	Category and Project	Approved BOT 10/15/75	Approved IBHE 1/6/76
Planning			Davenport Hall - Geostaphy	93,000	93,000
Law Building Addition	126,000	126,000	Commerce Offices	28,000	28,000
Engineering Library Stack Addition	50,900	50,900	Huff Gym Roof and Gutters	80,000	80,000
Vet. Med. Basic Science Phase I	200,500	200,500	Geological Survey - Masonry	20,000	0-
Life Sciences Teaching Lab	141,800	-0-	Natural History Building Sprinklers	95,000	95,000
Auditorium Roof Replacement	55,000	55,000	David Kinley Hall - Room 114 Remodeling	95,000	95,000
Agricultural Engineering Bldg.	156,600	-0-	David Kinley Hall - Room 114 Equipment	5,000	5,000
Subtotal	(730,800)	(432,400)	Airport Hanger Improvement	97,000	67,000
Cooperative Improvements			Architecture Building Heating System	150,000	150,000
Sanitary District Improvement	35,000	-0-	Interior Painting	150,000	-0-
Mathews Avenue Resurfacing	27,900	-0-	Steam Tunnel Improvement	50,000	-0-
Subtotal	(62,900)	-0-	Lincoln Hall Stair Enclosure	132,000	-0-
Space Realignment, Remodeling, and Replacement	3,569,929	2,620,680	Lincoln Hall Elevator Replacement	70,000	70,000
Gregory Hall Journalism - Remodeling	(28,000)	(28,000)	Kranert Performing Arts	56,500	56,500
Gregory Hall Journalism - Equipment	(60,000)	(60,000)	Mumford Hall Basement - Remodeling	74,800	74,800
Energy Conservation Heat Control	(150,000)	(150,000)	Library Reference Room - Remodeling	25,000	25,000
Architecture Building - Roof and Gutters	75,000	(75,000)	Library Reference Room - Equipment	8,000	8,000
Morrill Hall - Masonry Repair	20,000	-0-	Library - Flooring Replacement	8,400	8,400
Freer Gym Remodeling	171,000	(171,000)	Coble Hall - Plumbing	7,000	7,000
Library Fire Protection	88,000	(88,000)	Armory - Roof and Gutters	94,000	94,000
Memorial Stadium - Remodeling	440,000	-0-	Physics Building Remodeling	40,000	-0-
Lincoln Hall Remodeling	(64,000)	(64,000)	East Chemistry - Masonry Repair	10,000	-0-
Natural History - Heating System Replace.	(150,000)	(150,000)	Gregory Hall Stair Enclosure	116,500	(116,500)
Exterior Painting	135,000	-0-	Interior Painting	129,000	-0-
Environmental Research Lab.	70,000	(70,000)	Exterior Painting	(112,300)	-0-
Electrical Modernization	70,000	(70,000)	Altgeld Hall - Elevator Replacement	72,000	(72,000)
Building Safety Improvements	88,500	-0-	Condensate Return System	-0-	(155,000)
Building Safety Improvements	86,000	-0-	Architecture and Engineering Fees	-0-	(339,400)
Architecture Building - Flooring	15,000	(15,000)	Total, Urbana-Champaign Campus	\$16,001,929	\$ 5,204,180
Agronomy Seed House - Windows	40,000	(40,000)	UNIVERSITY TOTAL	\$37,168,361	\$22,131,950

UI Intercampus Relations Topic of Concern

President John E. Corbally sent the following letter to Vice President Eldon L. Johnson December 10, 1975, in regard to intercampus relations within the University of Illinois:

Vice President Eldon L. Johnson:

As a result of discussions which I have had with you and with others, I have developed a list of problems or concerns in the area of intercampus relations within the University of Illinois. As you and I have mentioned, these relations are crucial to the effectiveness of a multicampus university and can either be beneficial or injurious to the achievement of our purposes, depending upon the degree of skill with which they are managed.

Without attempting to outline either the details of these areas of concern or the procedures through which they might be approached, I am hereby requesting that you and the University Academic Council provide the leadership for examining these areas and for developing reports which recommend how the University and the campus together can understand and deal with these areas.

The topics of concern are as follows:

1. *Graduate Degree Programs:* The University's clarification of its total graduate education role in Illinois higher education in view of the spirit of Master Plan, Phase IV, through reexamination and "recodification" of all its graduate programs on the three campuses, with the derivative consideration of
 - a. the intercampus implications;
 - b. the relevant experience in other multicampus university systems;
 - c. the probable curricular areas, if any, in which new graduate programs will or ought to be proposed in the next

quinquennium as collaborative between campuses or Universitywide.

2. *Internal Evaluation:* establishment or continuation of systematic campus plans for periodic program evaluation (e.g., the existing COPE plan for the Urbana-Champaign campus) and the dovetailing of these with the experimental Administrator Evaluation Project for maximum economy of time and effort.
3. *Library Resources:* the immediate practicable means of improving library services to students and faculty by inter-library collaboration.
4. *Transfer of Students:* the facilitation of intercampus relationships among faculty and students which would be mutually advantageous to faculty members, students, and the University itself. While "transfer" matters are a part of this area of concern, other matters including intercampus use of faculty and support resources are equally important.
5. *Educational Services Off-Campus:* those additional intercampus relations, beyond the present statewide and intercampus efforts, which will strengthen the campus capacities to extend their knowledge-based resources to appropriate off-campus needs, both individual and societal.

It would be my hope that studies in these areas might produce reports and recommendations by mid-September 1976 so that we can incorporate these results into campus and intercampus planning and action as well as into long-range University academic planning. I am most appreciative of the work which you and the Academic Council have undertaken to date and I thank you in advance for your willingness to add these items to your agenda.

Sincerely,
John E. Corbally
President

Vice President Johnson made the following response in his letter of January 5, 1976:

President John E. Corbally:

In consultation with the University Academic Council, I have allocated responsibility for all the intercampus studies mentioned in your letter of December 10. When the results are available in September, I hope to incorporate them in a composite document dealing with intercampus academic relations generally.

Considering the problem of intercampus relations, already dealt with, there are six areas of study, with assignments as follows:

1. *Research Relations.* This research-related matter has already been extensively considered by the University Academic Council, which adopted on November 21 two policy and operational statements. [See statement below.] If additional effort seems necessary in the light of experience, the UAC will proceed further.
2. *Graduate Degree Programs.* This instruction-related matter has been assigned to the University Council on Graduate Education and Research, working closely with the graduate deans and their campus colleagues.
3. *Educational Services Off-Campus.* This service-related matter has been assigned to the University Council on Public Service, which has a series of related studies and reports now before it.
4. *Internal Evaluation.* My own Office of Academic Affairs will retain responsibility for this task, which has two key parts. First, the office will encourage and review the establishment and operation on each campus of a prescribed system of academic-program evaluation, recognizing that campus systems may be quite different, that the Urbana-Champaign campus has a comprehensive formal system now, and that the other campuses have much more informal methods which, by already-expressed intention, ought to be made more systematic. Second, this task will involve coordination of the campus systems with the Universitywide Administrator Evaluation Project which is now proceeding experimentally with Trustee authorization, to provide integration rather than duplication and to minimize time demands on all participants.
5. *Library Services.* I had already talked to Chairperson Irwin Pizer about this assignment for the University Council on Libraries and have now made it a formal request. The several existing reports and memoranda bearing on the need for improved intercampus library services will be utilized.
6. *Intercampus Services to Students and Faculty.* We are using this broader rubric implied in your description under "Transfer of Students," because more than transfers and more than students are involved, plus the fact that study of the student-transfer problem is already well advanced. This assignment has been made to Director Eugene E. Oliver, to capitalize on his past and present involvement. He will use, at his discretion, existing or ad hoc committees or task forces.

I share your hope and confidence that these combined efforts will have a self-educative effect on those of us involved and will yield results beneficial both in management and academic planning.

Sincerely yours,
Eldon L. Johnson
Vice President

STATEMENT ON INTERCAMPUS RELATIONS ADOPTED BY THE UNIVERSITY ACADEMIC COUNCIL, NOVEMBER 21, 1975

Intercampus relations are an important part of the organization and effectiveness of a multicampus university. Obviously, the quality of these relations can be either beneficial and supportive or debilitating and injurious to the University as a whole.

In a multicampus university it is inevitable that pursuit of a campus interest may have an unanticipated or unexamined impact on the interests of another campus. The University of Illinois has experienced this problem at certain growth points, particularly in those research initiatives which are significant enough to require organizational embodiment.

In assessing the problem and its possible amelioration, the University Academic Council has sought to strike a balance between encouragement of research initiatives and the harmonization of intercampus interests. For that purpose, the Council has adopted two systems of facilitation, an Early Notification System and an Encouragement System, as follows:

EARLY NOTIFICATION SYSTEM

1. Each campus officer holding membership on the University Academic Council will undertake to alert the council chairperson (the vice president for academic affairs) at the outset of all initiatives for the establishment of a campus unit which must go before the Board of Higher Education, the Board of Trustees, or the Executive Committee of the Graduate College and is to be called an "office," "center," "institute," or equivalent. By "outset" is meant as early as possible in the formulation of plans for such a unit, including the preparatory stages of a grant or contract proposal which would include the establishment of such an organizational unit.
2. The vice president for academic affairs will inform/consult others as need be or involve others having sufficient stake (e.g., the University Council on Graduate Education and Research).
3. The objective is the establishment of a continuing, well-known, and well-accepted intercampus forum for careful exploration and debate and the reaching of either agreement or full understanding of the bases of disagreement.

ENCOURAGEMENT SYSTEM

To encourage scholarship through shared intercampus awareness, the University Academic Council collectively, and its campus-based members individually, utilizing a central financial pool, will take responsibility for:

1. Two experimental intercampus workshops, one disciplinary and one problem-oriented, in each of the next two years (1975-76 and 1976-77), emphasizing current and proposed research, plus promising new efforts, with heavy faculty consultation and participation.
2. The systematic fostering of other intercampus professional, research-level activities, including occasional joint project planning, to supplement the campus-based activities which are recognized as central and preponderant.

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FACULTY LETTER

FROM THE OFFICE OF THE PRESIDENT · UNIVERSITY OF ILLINOIS

No. 261, April 15, 1976

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University of Illinois
at Urbana-Champaign

Statement on Fiscal Year 1977 Budgets

PRESENTED BY PRESIDENT JOHN E. CORBALLY TO BOARD OF TRUSTEES MARCH 17, 1976

On March 3, 1976, in his annual budget message Governor Walker recommended total appropriations of \$817,559,200 for higher education for fiscal year 1977. This recommendation for FY 1977 operating funds represents increases of \$43,352,300 in total resources and \$40,108,200 in general revenue funds for FY 1977 over FY 1976 for all of higher education. The increases recommended in the governor's budget message contrast with the Illinois Board of Higher Education recommendations of increases of \$90,447,400 (with tuition increases) and of \$85,556,300 in general revenue funds.

The impact of potential reductions to the University's budget request in terms of this budget message is major. The budget increment for FY 1977 of \$26,780,400* approved by the Board of Trustees was described as a "... set of items and programs which are needed to continue the scope and mission of the University of Illinois — tempered by the awareness of restricted resources." Yet, significant reductions to the University's request beyond IBHE recommendations may take place in the state's legislative and executive budgetary decision-making process.

In view of the numerous budget-related uncertainties facing the University for the next few months, a set of decisions must be made now, based on the governor's budget message, to allow the internal campus budget process to continue. These decisions should not be construed as the final set of recommendations, which I will bring to you in September, but rather should be treated as the minimum maintenance continuation elements to which we must commit now.

The following budget allocations for FY 1977 are necessary merely to continue the operations of the University:

I. Salaries — 2.5% (\$6,218,200). First priority will be given to the annualization of salary increases which

were granted in FY 1976 (\$2,238,600). The remaining funds (\$3,979,600) will be sufficient to provide periodic and superior performance increases to open-range nonacademic personnel and to grant an average 2.5% merit increase to all other employees.

- II. General Price Increases — 7% (\$2,239,300). Consistent with the original philosophy of the University and reinforced by the recommendations of the IBHE, the loss of purchasing power for expense and equipment items cannot be allowed to continue.
- III. Utility Price Increases — 15% (\$1,770,600). Current trend data indicate that the 15% increase may be reasonable. Obviously, if utility prices were to increase beyond these estimates, funds to pay for the additional costs would have to be reallocated from other expense items.
- IV. O&M for New Buildings — the IBHE has recommended \$836,300 or \$1.40 per gross square foot (GSF). This allocation is below the University's estimated needs of \$1,695,500 or \$2.60 per GSF.

The following comparisons illustrate the continuing decline in our potential resources for FY 1977, and the attached letter [below] to Mr. Furman summarizes my current posture related to this decline.

Obviously, there is no certainty concerning the recommendations which the Board of Higher Education will make related to the allocation of the amounts recommended by Governor Walker. It is clear that the IBHE staff stands firmly in support of its original recommendations as the amounts necessary to maintain the system of higher education in Illinois. Our appropriations bill will be introduced in terms of those original recommendations and this action has full IBHE staff support. We shall continue to work on behalf of those recommendations and shall keep the members of the Board of Trustees informed regularly concerning both legislative and executive actions related to the support of higher education in Illinois.

* Adjusted by inclusion in FY 1976 base of Chicago Public Health Hospitals and Clinics — \$2,495,900.

**Comparison of FY77 BOT Request
and IBHE Recommendations**

	<i>Approved by BOT</i>	<i>Recommended by IBHE</i>
Salary Increases	\$14,035.4	\$13,060.6
General and Utility		
Price Increases	4,427.3	4,259.9
O&M for New Buildings..	1,695.5	836.3
Continuing Education ...	1,640.0	—
Extended Day	1,650.0	800.0
Health Professions	1,809.7*	1,200.0
DSCC.....	300.0	150.0
PTI	343.0	83.0
Willard — Commercial ...	237.1	—
Cooperative Extension ...	183.0	15.0
County Board Matching..	178.5	178.5
Vet. Diagnostic Lab.....	280.9	Removed by U of I**
SR ³ — UC	—	650.0
Total	\$26,780.4*	\$21,233.3

* Adjusted by inclusion in FY76 base of Chicago Public Health Hospital and Clinics (\$2,495.9).

** Vet. Diagnostic Laboratory is to be funded in Department of Agriculture budget at \$261,600. This is same as FY76.

**Evolution of Major Features of the FY77
Budget Request**

	<i>Approved by BOT</i>	<i>Recommended by IBHE</i>	<i>Absolute Minimum within Governor's Budget Message</i>
Salary Increases..	7.5%	7.0%	2.5%
General Price			
Increases.....	7.0%	7.0%	7.0%
Utility Price			
Increases.....	20.0%	15.0%	15.0%
O&M for New			
Buildings.....	\$2.60/GSF	\$1.40/GSF	\$1.40/GSF
Extended Day ...	1200 new students	600 new students	—
Health Professions			
Expansion	125 new students	125 new students	—
Continuing			
Education	21 new and expanded programs	—	—
	New individ- uals served	—	—
Percent of FY76 Base	11.38	9.02	4.70

Commitment Plan for FY 1977 Allocations

MINIMUM MAINTENANCE CONTINUATION ELEMENTS

Salary Increases (\$6,218.2)	
Annualization	\$2,238.6
2.5% Increase	3,979.6
General Price Increases.....	2,239.3
Utility Price Increases.....	1,770.6
O&M New Buildings.....	836.3
<i>Subtotal</i>	<i>\$11,064.4</i>

BALANCE OF MINIMUM NEEDS

Salary Increases (4.5%)	\$6,842.4
Health Professions	1,200.0
Extended Day	800.0
SR ³	650.0
Equipment	250.0
DSCC	150.0
PTI	83.0
Coop. Extension	15.0
County Board Matching	178.5
<i>Subtotal</i>	<i>\$10,168.9</i>

<i>Total New Resources (Legislative Bill)</i>	<i>\$21,233.3</i>
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**LETTER TO JAMES M. FURMAN, EXECUTIVE DIRECTOR OF ILLINOIS
BOARD OF HIGHER EDUCATION, DATED MARCH 11, 1976**

In response to your request during the last System Heads meeting (March 5), the following represents my current thinking about FY 1977 budgets after brief consultation with members of the administration, but without review by the Board of Trustees of the University.

First, we continue to believe that the existing IBHE recommendations (including the amount represented by a tuition increase shifted to GRF) represent the absolute minimum to continue the programs of the University and to give equitable salary increases. To that end we anticipate introducing our FY 1977 operating appropriations bill at that level — approximately \$21.0 million in additional funds. I believe it is necessary to strive for this amount through all the processes available in the General Assembly and with the Governor.

We recognize that at this time the funds recommended for higher education by the Governor would provide far less than the amount recommended by IBHE. We also recognize the requirement that the IBHE give advice about allocations of these lesser amounts. Our position at this time about the allocation of lesser amounts is as follows.

Our first priority continues to be the salary increases required to maintain a quality faculty and a quality work force. We have now lagged behind even the "cost of living" for two years. Our faculty salaries are not in the top 50 universities in the country (AAUP comparisons), and our nonacademic pay scales are becoming so uncompetitive that we cannot recruit to provide essential services. However, almost of equal concern and of equal importance are the general areas of materials, supplies, utilities, and the costs of opening new facilities. Because these nonpersonal resource items have become critical and because the financial limitations that we may have to sustain may be insurmountable, we have conceptualized the salary increases into two components. First is an absolute minimum of 2.5 percent (after annualization of the 7 percent in-

creases granted in September for July and August 1976). This amount provides only enough funds to maintain the "pay plan" for nonacademic employees and to provide a token increase for faculty. A second component of 4.5 percent is to adjust the "ranges" for market movement for the nonacademic and to provide a "purchasing power maintenance program" for the faculty.

Therefore, our *first* set of minimum maintenance continuation elements consists of:

1. Salary Increases (2.5% + annualization)	\$ 6,218,200
2. Price Increases	2,239,300
3. Utility Increases	1,770,600
4. Opening new facilities	836,300
Subtotal	\$11,064,400

The balance of our *minimum* needs consists of:

1. Additional Salary Increases (4.5%)	\$ 6,842,400
2. Health Related Expansion	1,200,000
3. SR ³ and Equipment — Urbana	900,000
4. Extended Day	800,000
5. Other	426,500
Subtotal	\$10,168,900
Total	\$21,233,300

These items are all significant, important, worthwhile, and necessary, but the first set must be guaranteed. We are not prepared to develop an infinite list of incremental budgets based upon "what if" questions of small amounts between the \$11.1 and the \$21.2 million. Our response would be different based on the magnitude of "what if." Clearly we must achieve some movement beyond the first 2.5 percent for salaries — but just as clearly we need to fund the health fields expansion already under way. We will not be prepared to finalize our internal recommendations to our Board of Trustees, beyond the first-set level of \$11.1 million as shown, until we know finally the outcome of the legislative and executive review and action processes. It is, however, our considered opinion that since \$11.1 million represents a 4.7 percent increase on our appropriated funds base as compared to the Governor's recommendation of about 5.6 percent additional funds for higher education, there should be no circumstance under which the IBHE recommendation related to the reduced budget would be less than the \$11.1 million for the University of Illinois.

Sincerely,
 JOHN E. CORBALLY
 President

Policy on International Activities

ADOPTED BY THE BOARD OF TRUSTEES AT ITS MEETING MARCH 17, 1976

During the past several years, some problems have arisen in the international activities of universities — occasioned by staffing criteria not in keeping with university standards being imposed by foreign governments. Although the University of Illinois has not experienced such problems directly, it seems appropriate to forestall their occurrence by adopting a policy position which makes the University's standards and obligations clear. The following statement has been adopted as policy of the University of Illinois.

I. Preamble

The growing interdependencies among the world's peoples and institutions increase the need for identifying appropriate processes to enable groups with different heritages, cultures, values, and styles of behavior to work effectively together to solve mutual problems, to learn from each other, and to join in cooperative programs.

The University of Illinois, as one of the world's major universities, attaches high priority to encouraging its staff to participate in international activities generally recognized by academic institutions as beneficial to the teaching, research, and public service needs within the state and throughout the world.

A key element in the process of enabling the University of Illinois to make its contribution to our international needs is to recognize and develop ways of meeting the special responsibilities required for cooperation with scholars and institutions throughout the world. One responsibility is our obligation not to impose our political, social, or other values on others abroad. At the same time we expect others not to impose their values on us. Accordingly, a second responsibility is to reject requests or agreements which commit the University of Illinois to actions that conflict with our fundamental values. A third responsibility is to take adequate steps to insure the high academic

quality of specific activities and to avoid nonacademic tests for programs and participating program personnel.

To satisfy these responsibilities, in the operation of agreed-upon joint programs the University of Illinois will propose for participation in such programs only those individuals who possess special competence and qualifications for the tasks. Likewise, it expects that the criteria of competence and qualifications will be employed by other groups when evaluating University of Illinois personnel for participation in a project. Adherence to these criteria implies that neither the University of Illinois nor any cooperating institution will discriminate against University of Illinois project personnel because of race, color, religion, sex, or ethnic origin, nor will political tests be applied.

II. Statement of Policy

In entering into collaborative arrangements (agreements, contracts, or other such arrangements) with foreign countries or institutions, international agencies, or their representatives, and in negotiating for grants from such countries or organizations, the University of Illinois, its constituent units, and those acting on its behalf should not knowingly enter into any agreement which contravenes any of the following principles:

1. The particular program, project, or other undertaking should be judged by appropriate officers and staff members of the University who are most directly concerned to have academic merit and to contribute to the established purposes of the University.¹
2. Nothing in the contract, letter of agreement, or other document, or in understandings not committed to print, may be (a) in violation of the pertinent state or federal laws regarding discrimination, use of human subjects, or other relevant issues, or (b) contrary to the generally prevailing

¹ Under current practices, this is accomplished by the proposal approval process.

ethics of the disciplines or professions involved, or those principles of conduct generally shared by members of academic institutions.¹

III. *Remedy When Integrity of Activities Is Challenged*

If a formal allegation is made by an aggrieved party that the University of Illinois has engaged in illegal or unprofessional conduct or has contravened the above principles either by (a) entering into a particular collaborative relationship with a

¹ Under current practices, this is accomplished by the proposal approval process.

foreign country, a foreign institution, an international agency, or their representatives, or (b) the conduct of any collaborative activity, project, or program, then such allegation will be reviewed by an *ad hoc* committee appointed by the Chancellor. If the review sustains the allegation, the Committee shall advise the Chancellor to recommend to the President appropriate remedial steps, including suspension of work, refusal to renew or extend the contract, or outright termination unless the University obtains assurances from the other contracting party that such practices will not occur in the future.

Graduate Work of Academic Staff Members

REVISION TO STATUTES APPROVED BY BOARD AT MARCH 17 MEETING

On July 17, 1974, the Board approved provisionally an amendment to the University *Statutes* to permit a professional staff member to pursue an advanced degree in a department on another campus of the University.

The revision of Article IX, Section 7, of the *Statutes* is as follows (new language is italicized; deletions are in parentheses):

No person shall be admitted to candidacy for an advanced degree (who) *on a campus of the University if he* holds an appointment as professor, associate professor, or assistant professor in any department or division *of that campus* of the

University. Any person engaged in graduate study who accepts an appointment with the rank of assistant professor or higher *at a campus of the University* will be dropped as a degree candidate at (this) *that campus of the University*.

The revision was approved by the Senates of the three campuses and by the University Senates Conference. The Chancellors at the three campuses and the Vice President for Academic Affairs concurred in the proposal and the Trustees gave final approval to the amendment at the March 17 meeting.

Changes in Nonacademic Employee Holidays

REVISION OF POLICY AND RULES — NONACADEMIC APPROVED BY BOARD

Policy and Rules — Nonacademic has been revised to conform with House Bill 3093 effective July 1, 1976, which amends "An Act to create the University Civil Service System of Illinois and to define its powers and duties."

The new policy recognizes eleven holidays for non-academic employees and specifies that, to the extent fea-

sible, University facilities will be closed on those holidays. Previously, only nine holidays were recognized.

Eligible employees will be excused with full pay, except for necessary operations, on New Year's Day, Memorial Day as determined by state law, Independence Day, Labor Day, Thanksgiving Day, Christmas Day, and five other holidays designated by the president.

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FACULTY LETTER

FROM THE OFFICE OF THE PRESIDENT · UNIVERSITY OF ILLINOIS

No. 262, May 10, 1976
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University of Illinois
at Urbana-Champaign

That Vital Margin of Greatness

ANNUAL MESSAGE FROM PRESIDENT JOHN E. CORBALLY TO CITIZENS OF ILLINOIS

This is my fifth annual report to you, Illinois citizens, on behalf of your University of Illinois. I cannot over-emphasize the fact that it is *your* University — a great, public university which serves you every day.

You benefit every day from your University of Illinois and the cost is only \$20 per year per person. In an age of high prices and often inferior products, we are perhaps the greatest bargain you have.

You may not think about it, but the University of Illinois and its faculty, staff, and students play an important role in your daily lives. Our work at the University has affected the food you eat and the clothes you wear; it has affected the buses you ride and the cars you drive.

The University of Illinois has probably played a role in developing the health services you take for granted for yourself, your family, and even your pets.

Your schools, and your libraries, the power plant which provides you with energy, and the roads you travel on — all these aspects of your lives have benefited from efforts at the University of Illinois.

And we are working as hard as we can to insure that your support of the University of Illinois remains among the best investments you can make in a period of instability and of inflation.

Of course, there are many public universities — 552, in fact, in the United States — and most of them are good and solid and useful. What makes a public university good? Ideas, faculty, staff, students, facilities. These products cost money. And where does the money come from? Primarily from state legislatures, counties, or cities. And, since no government really has money or earns money, it really comes from the people; not just taxpayers, but citizens who give us their support in many ways as individuals.

The people of Illinois have built a university with more than 60,000 students on three campuses at Urbana-Champaign, Chicago Circle, and the Medical Center in Chicago. The people have invested more than \$680 million in our physical plant over the past 108 years, and it would cost many, many times that to replace these structures today.

And the people of Illinois have built a university which has attracted some of the finest minds in the nation to the heartland of our country. More than 2,500 of our faculty members hold doctoral degrees — and that is more than any other American university save one.

From my vantage point, I can observe many concrete examples of evidence that the University of Illinois does, indeed, possess greatness.

- There are such things as the recorded judgments of scholars and professionals.
- There are the rankings the University of Illinois receives from academic and professional associations.
- There are the many, many honors which our faculty and staff and students receive, and the many state, national, and international offices to which they are elected by their colleagues.
- There are the pressures from prospective students who wish to enroll in our programs, at every level and on each campus — students not only from the state of Illinois, but prospective students, literally, from throughout the world.
- And certainly as I travel around this state and this country and occasionally outside this country, the greatness of this University is shown throughout the world by the accomplishments of the graduates of this institution.

So that is why I am persuaded and why I can say with comfort that by any measure the University of Illinois has achieved a stature enjoyed by very few academic institutions in the world.

But it has been increasingly difficult, in some ways seemingly impossible, to maintain our stature. That vital margin of greatness which we have always prized becomes increasingly difficult to maintain. We have declining support of research at the federal level in terms of net dollars. The federal government appears to have adopted the plan that the old joke describes for the small groceryman. He was losing a nickel on every can of peas he sold, so he decided to make up for the losses by selling more peas. We seem to lose a little bit of

money on each student, so the federal government is making it possible for us to have an increased volume of students.

We are losing general support at the state level. Certainly we are receiving more dollars from the state, but in terms of real dollars — dollars uninfluenced by inflation — and in terms of dollars as they relate to such fixed problems as energy, our ability to support our educational and our general and research programs is declining. *As a people we seem to be more willing to support cures — prisons, public aid, mental health, law enforcement — than we are to support the greatest preventive mechanism of all — public education.* As we allocate our public funds — your tax dollars and mine — we distribute funds by formula to all manner of public services and we distribute what is left to education. We demand more and better public services and we insist that we not pay the price in support of these demands.

While I receive letters from many people indicating that they believe the University is receiving too much money, I receive even more letters from students, from parents, from grandparents, who report to me that they are upset that their youngsters needed to get into certain courses and found these courses closed; that they attempted to get into the library and look at various kinds of volumes, and they discovered that we were way behind in cataloging and shelving — or a host of other complaints. Many complaints, incidentally, come from the same people who indicate that we are receiving too much money — people who wonder why we don't do something to try to save money.

Each of those complaints relates to the hard and real fact that we have cut staff in almost every area of this University. We have fewer classes, we have larger classes, we have fewer counselors, we have fewer policemen, we have fewer people to catalog and shelve library books, we have fewer people to keep our buildings clean and in good repair and to mow our lawns and paint our buildings. We simply have less ability to maintain the kind of quality which we all expect.

So, what we need to maintain our vital margin of greatness is money. We are in jeopardy of losing our greatness not because of a lack of talented, caring personnel, but because of a simple lack of funds.

What are our options? We have a certain income from tuition and student fees. But this income is far below the actual cost of putting the student in a chair and putting a qualified faculty member in front of him, of heating the building and making sure the library has the books he needs and the laboratories have the test tubes and microscopes. But even at these bargain rates, an education is expensive, and we must try to avoid pricing a public education out of the reach of many citizens. We have tax resources from the state which meet about 50 percent of our needs. We have a certain small income from federal appropriations. Our auxiliary enterprises, such as the Assembly Hall, the Illini Union, the dormitories, and so forth, bring in as income just about what

is necessary in order for them to offer the services which they provide.

But we do not content ourselves with simply sitting back and waiting for tax or tuition funds to flow our way. We believe in the University of Illinois, and our faculty and staff and many of you work hard to attract private support for University programs. We depend heavily upon our friends to provide us, not with frills, but with the support to create our margin of greatness — those funds which outstanding personnel can turn into outstanding projects. It takes money to bring ideas to life, and the key is extra funds. Private gifts, bequests, research grants — these funds make possible the programs and services that contribute to our vital margin of greatness.

At our Chicago Circle campus, which celebrated its tenth birthday in 1975, we serve some 20,000 students in an urban setting. This campus came into being because the University recognized the need to bring quality higher education to one of the nation's greatest metropolitan areas. In bringing the University to the city, the University of Illinois has not limited its purpose to the geographic boundaries of the Chicago Circle campus. The campus is only the nucleus of the University in the city. Reaching out from the campus, the University meets with and interacts with the city and with its people through educational resource centers in the communities, counseling, tutoring, summer programs for elementary and high school students, and the community recreation program. And, on the campus, a trust to serve the people and the state has led us to develop innovative programs related to the people and their heritage, as well as programs related to the people and their government. We have the Native American Studies Program, the Black Studies Program, the Latin American Studies Program, the College of Urban Sciences with its master's program in urban policy and planning, and numerous internship programs in education, social work, political science, architecture, and business administration.

These kinds of programs have broadened the concept of the comprehensive university beyond its traditional definition. They cost as much as the traditional programs because they are of the same high quality as all of the University's programs. And they are as important as the traditional programs. Many have been fully or partially funded from various sources outside the University. But there is less and less money forthcoming from granting agencies, including the federal government, to support programs such as these. The University of Illinois needs these programs to maintain its margin of greatness.

The importance of private gifts and bequests to the Urbana-Champaign campus can be graphically illustrated. The campus looks one way today, but it would look quite different if there had been no gifts or bequests. A few examples of facilities we simply would not have if we were forced to depend solely upon tax funds for our income: the Krannert Center for the Performing

Arts, a unique cultural facility which adds distinction to teaching in drama, in music, in the arts, made possible by a gift of \$13 million from Heiman and Ellnora Kranert; the Kranert Art Museum, also made possible by a large gift from the Kranerts; Burnside's Laboratory, devoted to research in diet and in geriatrics, made possible by a \$250,000 contribution from Miss Ethel Burnside; Smith Memorial Hall, a gift to the University from Captain Thomas J. Smith as a memorial to his wife, Tina; Allerton Park and Allerton House, with its incomparable formal gardens and with 1,700 acres of forest and park land; and, of course, the Assembly Hall, Memorial Stadium, and the Illini Union.

So you can see that much of our physical plant was a direct result of outside support. But it is also true that many of the works of art and artifacts in our museums, many of the books in our library, and even the bells in the tower of Altgeld Hall are gifts to the University from its friends. These things are so much a part of the University of Illinois, but they would have been beyond our means if we had not had extra support.

Nontax funds are also extremely important to the Medical Center campus. The U.S. Public Health Service alone granted nearly \$8.5 million for research and equipment at the campus in 1975. The campus depends on funds from the American Cancer Society, the Muscular Dystrophy Association, the Heart and Lung associations, service groups such as Kiwanis and the Lions, to provide it with funds for research; and of course, these organizations also are dependent upon the University for the execution of this research.

One alumnus, Dr. Sol Maizus, class of 1922, left a bequest of \$372,000 to the College of Medicine for the establishment of a scholarship fund, and another alumnus, Dr. Benjamin Goldberg of the class of 1916, made possible construction of the \$2.7 million Benjamin Goldberg Research Center which will be devoted to biomedical research, including some cooperative programs with Chicago Circle.

These grants and many others like them are what we call restricted in nature — they are designed to fill specific needs, and we depend upon them to allow our research and development to go forward. Sometimes, however, our most pressing needs are not directly supported by the granting agencies. In those cases, we must depend upon unrestricted gifts to help us maintain our margin of greatness. When we receive an unrestricted gift, we are free to decide how it can best be used to maintain or improve the quality of an education at the University of Illinois.

The University of Illinois Library is the nation's largest public university library and fifth largest library of any kind. Only the Library of Congress, the New York Public Library, and the libraries of Harvard and Yale are more extensive. Seldom does the day go by when some individual or group of individuals from some part of this country or from some part of the world fails to arrive on one of our campuses to make use of the col-

lections in our libraries. And these facilities are available each and every day, to our students, to our faculty, and to our staff. But the collections and their usefulness are in trouble because of the deadly combination of rising costs and decreasing support. Our libraries lack the funds to get ahead and are struggling hard just to keep up.

In 1975, no state funds were allocated directly to research titles for the main library at Urbana-Champaign. We had to make massive cancellations of periodicals, particularly foreign periodicals. This decision is an extremely difficult one for a library whose importance rests on its large research collections. The deficiencies suffered in the research areas over the last four years can never be rectified without special money above and beyond the regular budget.

In areas such as this, unrestricted gifts can be life-savers. The Joyce Foundation of Chicago made an unrestricted gift of \$200,000 to the University of Illinois in December. Every penny was allocated to our libraries, to try to repair some of the damage which has been suffered during recent years.

It is not just the large bequests from friends and alumni or the massive funding of research from federal agencies which keep the University going and which enable it to pursue the goal of continued greatness.

As I have said, many of those who make contributions to the University have rather firm ideas on how they wish their contributions to be used. Of course, we honor such wishes. But those who make unrestricted contributions permit us to make decisions about the way funds can be used to contribute to our mission of service and to the cause of greatness. Those who make such unrestricted contributions are aware that each and every decision about the use of the funds that they have given to us will not be precisely the decision they would have made. But a few dollars of discretionary funds frequently can make that elusive margin of greatness more accessible to us.

Let me give you just one example of what the availability of just \$75 in discretionary funds has meant to the University and to the world. In 1925, Professor W. C. Rose was given \$75 to support his research on a project which was then "way out" — he was examining the nutritive value of two amino acids of the protein molecule. From that initial work in a new, uncharted area, Rose developed a program of research that involved a number of his doctoral students, including three who went on to win Nobel Prizes. That initial research project, the one that cost \$75, has proven to be basic to the developments in plant genetics which, according to the dean of our graduate school, give us a chance to successfully cope with the hunger problems of the world. All of that began with \$75.

From our beginning in 1867, when we had seventy-seven students, one building, and an annual budget of \$36,000, until 1935, private giving to the University totalled about \$3 million. Some of the bequests in the early years included a prize bull and a lot of trees and

shrubs. The first recorded cash gift, back in 1895, was \$100. But let us take a look at our more recent history. From 1935 to 1955, private gifts totalled about \$15 million, and from 1955 to 1975, such gifts totalled \$111 million.

In 1955, the state gave us \$34 million; for fiscal year 1976 \$219 million were appropriated. Student fees in 1955 brought in \$2 million; the amount is up to \$28 million this year. Income from research grants and other sources was about \$8 million twenty years ago, and totals \$100 million this year. And private gifts, grants, and contracts, at the \$2 million level in 1955, rose to \$11.5 million this year. So our income from these sources rose considerably during this period.

However, during those same twenty years, the cost of living more than doubled, as measured either by the consumer price index, which rose from 80.2 to 161.5, or by the implicit price deflator of the gross national product, which went from 90.86 to 185.

So in 1976 we would have needed *more than twice as much* money as we had in 1955 simply to maintain the status quo.

But, in fact, we did not maintain the status quo. Our enrollment rose from 24,036 in the first semester of 1955-56 to 60,347 in the first semester of 1975-76 — an increase of more than 250 percent. Our physical plant investment grew from \$128 million in 1955 to \$685 million in 1975.

The "information explosion" gave rise to greater and greater volumes of knowledge to fill our libraries, and sophisticated new equipment like computers became essential to our teaching, to our research, and to the efficient management of our institution.

In 1955, there was one home-made computer on campus — ILLIAC I. It was a phenomenon in its time, as very few institutions even had computers. It cost us about a quarter of a million dollars to build, and \$50,000 to \$100,000 per year to run. Today, major universities need to budget in the millions of dollars per year for computers.

These figures and cost factors do not include the salaries paid the people of the University of Illinois. Our faculty and our staff consist of dedicated men and

women, people who work hard and people of great ability. When someone casually suggests that we trim more "fat" from our budget after four years of trimming, he or she is really suggesting that we get rid of people or that we permit the salaries of our people to lose more and more ground to inflation and to salaries paid comparable people elsewhere. If we are to save real amounts of money in the years ahead, we must cut our services; we must reduce our enrollments — close our doors to even more qualified young men and women than is now necessary; we must reduce our public service efforts and stop making our resources available to you in your home or on your farm; and we must cut back on our research efforts and leave to others — if they are available — the search for solutions to problems in our communities, our schools, our businesses. We can trim our budget, but what a horrible alternative for a state such as ours which rightfully is proud of its leadership role in our nation.

The time has come for you to speak out on behalf of the quality of Illinois — a quality which has in many ways been demonstrated to the world by the University of Illinois. We are told by some that the people of Illinois no longer wish to support quality; that the support of one of the truly great universities in the world is too expensive for the people of Illinois; that the people do not care if the University of Illinois slips from greatness to mediocrity. I do not believe that to be true and I know that most of you do not believe it to be true. For the vital margin of greatness which characterizes your University of Illinois also characterizes the people of Illinois. You are our greatest resource and in this bicentennial year of a nation founded in part upon a belief in education we need your help and your action on behalf of that belief.

We have a great University: at \$20 per citizen per year, it is a tax bargain. It is a good investment, even an essential investment in the future, and it brings the citizens of Illinois many returns each day.

The president's annual message was released March 28 and was carried by twenty-nine television stations in Illinois, Indiana, and Missouri and by seventy-six radio stations, including forty-three in Illinois and thirty-three elsewhere around the nation.

Edwin I. Fa...

Estela Ralovancev
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FACULTY LETTER

FROM THE OFFICE OF THE PRESIDENT · UNIVERSITY OF ILLINOIS

No. 263, June 9, 1976
The Library of the
JUL 13 1976
University of Illinois
at Urbana-Champaign

Statement on Current Status of the FY 1977 Budget

PRESENTED BY PRESIDENT JOHN E. CORBALLY TO BOARD OF TRUSTEES MAY 19, 1976

It is an interesting commentary upon the current financing of public higher education in Illinois that an action by the Senate Appropriations Committee last Friday to approve appropriations bills for higher education for fiscal year 1977 in a total amount some \$35 million less than the amount supported by the institutions and by the Board of Higher Education (BHE) is hailed as at least a minor victory by those institutions. A headline in a Champaign-Urbana newspaper even described this action with the words "Panel Raises Education Outlay." The fact, of course, is that these appropriations bills as amended by the Senate Appropriations Committee total about \$20 million more than had been recommended for higher education by Governor Walker, and the rumor mills persisted in reporting that it was this lower level which would prevail in the General Assembly. There is still a long road for these appropriations bills to travel, and our efforts to sustain at least the level of funding recommended by the Senate Appropriations Committee must continue unabated.

I want to comment upon two general aspects of the Senate Appropriations Committee meeting last Friday. First, several members — Senator Hynes, Senator Weaver, Senator Buzbee, Senator Vadalabene, and Senator Rock — spoke on behalf of the legitimacy of the requests supported by the institutions and by the BHE. Each of these senators indicated that it was only the serious financial condition of Illinois which made it impossible for him to support the funding of these legitimate requests. All of us in higher education appreciated their comments and their support even though some of us believe that Illinois does have the resources to maintain its traditional excellence in higher education if only minor increases in revenue programs were to be adopted.

Others on the committee, however, continued what I believe to be outworn and unfair attacks upon higher education and particularly upon faculty and administrative costs. Time and time again our studies have shown that faculty members average more than fifty hours per week of effort on behalf of their responsibilities. Few would deny that the selection and retention policies and

procedures of the University of Illinois bring to the University and to Illinois a faculty of unequalled background and ability in higher education. Our faculty deserves first-rate compensation because it is made up of first-rate people giving first-rate service to students and to citizens in the conduct of our programs of teaching, research, and public service. And without dwelling on the point, we seek the same qualities in our administrators, require the same kinds of work loads, and devote only about 2 percent of our funds to so-called administrative personnel. As Mr. Furman of the BHE has pointed out so clearly and so vigorously, we are in 1976 providing the state of Illinois with more and broader services in higher education than ever before with fewer dollars per student, a smaller share of the General Revenue Fund, and fewer dollars in per capita support than before. We are as productive and as efficient as any university system I know of, and I know of no other state agencies which have maintained quality to the extent we have in the face of declining support and of the pressures of inflation.

What would be the results for the University of Illinois if funding were to be approved finally at the level approved last Friday by the Senate Appropriations Committee? On the negative side, our new program efforts to extend operating hours at Chicago Circle and to continue the expansion programs in the health professions probably could not be undertaken. Our ability to take steps to make up for deficiencies in library and equipment purchases would be gone.

On the positive side, our ability to keep pace with inflationary pressures upon our purchases would be protected, and a proposed 2.5 percent average salary increase at the governor's budget level would increase to about 4.5 percent. New proposals inserted into our bill would permit the University to use its own work force in space remodeling, renovation, and repair projects funded through capital development bond funds which would lead to efficiencies and to greater stability in our operation and maintenance staffing.

Even with these positive impacts, our salary patterns

will continue to fail to represent the quality of our people. From data supplied to us by other Big Ten universities, for example, it is clear that if we achieve faculty salary increases of 4.5 percent for fiscal year 1977, our salaries for next year will place the Urbana-Champaign campus salaries at fourth place for professors, eighth place for associate professors, and eighth place for assistant professors in the Big Ten. Contrary to rumors, our competition is not standing still. Those institutions which have traditionally had lower salary ranges than ours have made major and successful efforts to overtake us — one such institution accomplished a 14 percent increase this year and will accomplish an 8 percent increase next year and in those two jumps will have gone from a tie for eighth rank for professors to third; from seventh to first for associate professors; and from a tie for eighth to first for assistant professors. We, meanwhile, during that same period, will have gone from third to fourth for professors; from a tie for fifth to eighth for associate professors; and the same dip for assistant professors. And all of this will be true only if the action of the Senate Appropriations Committee prevails.

But one point must not be overlooked. Part of this progress on the part of our competition has been supported by increases in tuition — these institutions have not attempted to rely upon the taxpayer alone to meet the demands of inflation. If we do achieve the increases approved last Friday, we would be only \$1,717,000 short of being able to bring all of our faculty ranks at all of our campuses up to at least the midpoint of salaries at Big Ten universities. That amount represents about another 2.4 percent increase for faculty members. To provide a similar increase above the 4.5 percent range for all other personnel would require about another \$2.9 million. To achieve at least average parity for our faculty and to provide similar increases for all other personnel requires, then, about \$4,617,000 — the proceeds of a tuition increase of about \$100 per student per year. Of course, parity with the average salaries of Big Ten universities is not, in my view, the kind of parity our people deserve. I can find no logic to support our being at less than third place among these institutions and compelling

logic to argue that we should be in first place in salaries as we are in so many other areas of academic quality. Had tuition over the past three years increased at about \$35 per year (an increase of about 7 percent per year), we would at least have maintained salaries at a Big Ten average level, would not now have tuition levels as high as several in the Big Ten, and would not be faced with legislative arguments which now, ironically, are claiming that we are unwilling to ask students to share increases with the General Revenue Fund.

It is clear to me from discussions with legislators, with gubernatorial candidates, and with legislative and executive branch staff personnel, and from a review of data relating to comparable institutions, that our tuition level must go up in 1977-78. In fact, conditions dictate consideration of tuition increases for midfiscal 1977 as we continue to gather data concerning the salary status of our people. I believe that most students and most parents understand that it is better to pay slightly more for quality than to pay the same rate and receive declining quality. Recent Illinois State Scholarship Commission (ISSC) data reveal that families in Illinois with incomes up to \$23,000 per year can receive financial aid up to one-half of tuition and fees. No Big Ten state offers university students the kind of financial aid offered in Illinois, and Illinois has reconfirmed its support of ISSC programs through recent legislative and gubernatorial action to approve supplemental appropriations to ISSC for this year to meet obligations in full.

To summarize — predictions that fiscal year 1977 would be a difficult year for higher education in Illinois are proving to be correct although the action of the Senate Appropriations Committee last week may indicate that the year will not be as disastrous as was feared. As we continue to seek our fair share of Illinois tax revenue, we must face the virtual inevitability of tuition increases for 1977-78 and even the possibility of increases in mid 1976-77. We obviously must continue to strive to do an always better job in describing and demonstrating the quality of our faculty and staff and the contributions they make through hard and dedicated work to the quality and to the strength of Illinois.

Resolution on Tenure and Promotion Policies and Procedures

ADOPTED BY THE BOARD OF TRUSTEES AT ITS MEETING MAY 19, 1976

On March 18, 1975, the Board of Trustees requested the president of the University to consult with appropriate parties at the campuses of the University to determine whether and to what extent changes should be considered in the policies, practices, procedures, guidelines, and *Statutes* pertaining to promotion and tenure. On behalf of the full Board of Trustees, the General Policy Committee has heard two presentations related to this study, and all members of the Board have received

written reports from faculty groups, students, and administrators concerning the topic.

As a result of these activities conducted in response to its resolution of March 18, 1975, the Board of Trustees adopts the following recommendations submitted by the president of the University:

1. Because tenure and promotion policies and procedures contribute in a major way to the academic distinction of the University, the administration of the University

- and of the campuses and the appropriate faculty and campus Senate bodies should continue the practice of annual review and evaluation of such policies to insure that they serve the University, the faculty, and the students in achieving academic distinction.
2. Changes in tenure procedures which result from this regular review and evaluation and which do not result in policy changes requiring Board approval should be reported to the Board by the president.
 3. Studies of current tenure and promotion procedures and policies within the University reveal that the following areas of concern should be given special consideration in the ongoing review of such procedures and policies:
 - a. the manner in which faculty members are made aware of tenure and promotion policies and procedures to insure full understanding of those policies and procedures;
 - b. the degree to which University and campus tenure and promotion policies and procedures are followed at the departmental level;
 - c. the degree to which evaluations of teaching gathered for tenure and promotion decisions are used in in-service programs with faculty members to assist in improving teaching performance;
 - d. the degree to which instruments used for evaluating teaching performance are valid and reliable and

enjoy the confidence of both those evaluated and those evaluating.

4. While the University system does recognize the legitimacy of variations in procedures among its campuses, the University administration through the vice-president for academic affairs and the faculty through the University Senates Conference or through a procedure developed by the conference should conduct regular reviews of tenure procedures to insure that procedural variations among the campuses do not reflect differing standards of excellence nor differing interpretations of University policies.

As it has done consistently, the Board of Trustees reaffirms its support of the principles of academic tenure and promotion as reflected in the *University Statutes*. The Board also reaffirms its commitment to the concept that the principle of tenure is designed to insure the attainment of the highest standards of excellence in both teaching and scholarship. The Board also commends the faculty members who have developed at the University of Illinois a system of tenure and promotion which is viewed as generally satisfactory and thanks those students and faculty members who have assisted in this study of tenure and promotion policies and procedures. The Board believes that the studies resulting from the resolution of March 18, 1975, have been both useful and productive in focusing attention upon and in enhancing sensitivity to the important area of tenure and promotion policies and procedures.

Guidelines on Grievance Procedures for Complaints of Discrimination

TRUSTEES ADOPT MEANS OF HANDLING ALLEGED DISCRIMINATION

These guidelines are designed to cover grievance procedures for complaints by faculty, academic/professionals, students, and nonacademic staff concerning alleged discrimination by the University on the basis of race, sex, national origin, religion, age, or handicap.

Each campus is responsible for developing and implementing its own grievance procedures in such matters, within these guidelines. A separate procedure will be established for general University staff, also within these guidelines. When developed, all campus and general University grievance procedures are to be presented to the president of the University for approval prior to implementation.

A distinction is recognized between a *complaint* and a *grievance*. An employee may be said to have a complaint when some situation or event related to the employment is viewed as unsatisfactory. Employees and supervisors are expected and encouraged to make every effort to resolve complaints informally as they arise. If a complaint cannot be satisfactorily resolved between the complainant and the immediate supervisor through informal discussion, the complainant may reduce the

matter to writing and file it promptly as a formal grievance.

To be effective, a grievance procedure must provide for a prompt, fair, and definitive resolution of the matter. Under these guidelines the chancellor is designated as the final decisional point on grievances by campus staff and students, subject only to an appeal to the president of the University on the question of whether or not established campus grievance procedures have been followed. Campus procedures must provide for a final University decision, including any presidential review, within 180 days of the filing of a formal grievance.

The following guidelines are applicable to formal grievance procedures relating to complaints based on alleged discrimination:

1. Final decisional authority on the substance of a grievance initiated by campus employees or students shall reside with the chancellor, subject only to an appeal to the president of the University on the question of whether or not established campus grievance procedures have been followed in the specific case. Final decisional authority on both sub-

stance and procedure shall reside with the president of the University with respect to grievances filed by general University staff.

2. Each campus may establish separate grievance procedures, within these guidelines, for different classes of employees, students, and applicants (students and employees).
3. A time limit for filing a formal grievance shall be established, related to a specified number of days after the occurrence leading to the grievance or after the grievant was reasonably able to determine that the occurrence might affect the grievant's status.
4. Grievance procedures shall require formal grievances to be in writing. Management decisions thereon, at all levels, shall also be reduced to writing.
5. Grievance procedures shall provide for a hierarchical consideration, decision, and appeal, through established channels, with a minimum of two separate tiers, except when the chancellor or the president is the first tier in the hierarchical channel.
6. At least one opportunity for hearing must be provided to the grievant. Subsequent hearings, if any,

afforded the grievant may, but are not required to, be *de novo* hearings. Nothing in the grievance procedures shall preclude receipt of additional information relating to the grievance at any level of consideration.

7. At each level of decision the individual or panel charged with responsibility for the decision shall be provided the existing record of the matter, including a copy of the written grievance, the resolution sought by the employee, and the written disposition at all preceding levels. The individual or panel responsible for a decision may make such further investigation as is deemed appropriate and, for that purpose, may seek assistance or information from other personnel.
8. Grievance procedures shall provide that a grievant shall be permitted to have a representative at each stage.
9. Final disposition of a grievance must occur within a maximum of 180 days from the time of filing, but final resolution within a much shorter period is strongly encouraged.
10. The record-keeping aspects of the grievance procedures should be adequate to insure proper monitoring and reporting.

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Gift and Exchange Division
220a Library



FACULTY LETTER

FROM THE OFFICE OF THE PRESIDENT · UNIVERSITY OF ILLINOIS

No. 265, October 22, 1976

Operating and Capital Budget Requests for FY 1978

PRESENTED BY PRESIDENT JOHN E. CORBALLY TO TRUSTEES, SEPT. 15, 1976

THE LIBRARY OF THE

APR 1 1977

UNIVERSITY OF ILLINOIS
AT URBANA-CHAMPAIGN

OPERATING AND CAPITAL BUDGET REQUESTS FOR FY 1978

At the regular meeting of the Board of Trustees held on September 15, 1976, President John E. Corbally presented the FY 1978 (July 1, 1977 to June 30, 1978) operating and capital budget requests of the University.

A description of the request items was presented in the report titled "Budget Request for Operating and Capital Funds—FY 1978" which was prepared by the Vice President for Administration with concurrence of the University Planning Council, the University Budget Committee, and the three Chancellors.

The request, which has been approved by the Board of Trustees, will be forwarded to the Illinois Board of Higher Education. A summary of the three sections of the request — (1) operating request, (2) capital request, and (3) a food production and research complex (Food for Century Three) request follows:

SUMMARY OF THE FY 1978 OPERATING BUDGET REQUEST

The operating budget request is divided into three sections — (1) Continuing Components — \$19,455,000, (2) Programmatic Components — \$9,913,000, and (3) Special Service and Special Funding Components — \$1,668,400 for a total of \$31,036,400. The first two components comprise the bulk of the University's operating request and the third contains the request for other essential services provided to the state by the University.

Continuing Components

Salary Increases (\$14,646,100) — The University has requested sufficient funds to (1) annualize the increase granted in FY 1977, (2) to grant an 8% average increase to all employees and (3) to grant an additional 2% increase to the open range civil service employees. This request is based upon competitive market studies conducted by the University during FY 1976. It has been documented that the average salaries of the University's academic employees are less than the average salaries at the Big Ten universities and that the non-academic

employees are paid less than those who do similar work in the same geographical area as their campus. The 8% increase is based on an estimated 5.5% normal market increase and 2.5% for market recovery. This request is based on the assumption that the effort to restore the funds reduced by the Governor in FY 1977 will be successful.

General Price Increases (\$2,240,900) — A 7% general price increase has been requested. The request is comprised of an estimated 5% price increase in the market and 2% to begin to recover lost purchasing power. Inflation studies have shown that prices have increased approximately three times faster than appropriations from FY 1972 to FY 1977. Obviously, if market increases are more than 5% in FY 1978, the University will recover less than the additional 2% purchasing power.

Utility Price Increases (\$1,723,100) — Budgeting for the University's utility needs refers specifically to the purchase of components necessary to provide heat, light, air conditioning, laboratory gas, water, and occasionally power (from the Abbot Power Plant at Urbana-Champaign). These components, which must be purchased at market prices, include fuel oil, electricity, steam, natural gas, and water.

Beginning with the fuel oil crisis in 1974, the University utility costs have increased faster than any component in the budget. The utility budget increased 34% in FY 1975, 20% in FY 1976 and it is estimated at 15% in FY 1977. During this period many cost reducing and energy conservation measures have been instituted and the cost of utilities, although continuing to rise, appears to be leveling at 10 to 15% per year. The University has requested a 12½% increment for utilities.

Operating Costs for New Facilities (\$772,900) — The three types of facilities for which operating funds have been requested in FY 1978 are: (1) Recently constructed buildings; (2) Space created by remodeling; and (3) Private hospitals which are affiliated with the University's medical education program. The Board of Edu-

cation has adopted the recommendation of the Health Education Commission that the state fund the operations and maintenance costs of space in affiliated hospitals for which capital grants have been made. The board has directed that the University request these funds as part of the annual operating request. Therefore, funds are requested to: (1) annualize the operating costs of buildings partially opened in FY 1977, and (2) for new facilities opened in FY 1978. The University buildings for which funds are requested are: Medical Center; Peoria School of Medicine and Goldberg Research Facility, Urbana-Champaign; Speech and Hearing Clinic, Physics Research Lab Addition, Visual Aids Addition, Mechanical Engineering Lab (Remodeling), Turner Hall Addition, and the Veterinary Medicine Clinic (Remodeling).

Programmatic Components (\$9,913,000)

An incremental funding request for \$7,595,600 was submitted in FY 1977 for programmatic components in Extended Education (\$3,290,000) and Expansion in Health Related Fields (\$4,305,600). The needs of the state and hence the University to fund these programs were recognized in FY 1977, but the funds were not provided because of fiscal constraints. The year's delay in implementing these programs amplifies their need and increases their costs due to inflation. Thus, the FY 1978 request for \$7,789,200 in incremental funds for Extended Education and Expansion in Health Related Fields essentially represents a reiteration of the FY 1977 request updated for minor changes in program content and inflation. A third component (\$1,223,800) containing several high priority new programs consistent with the scope and mission of the University has been added to the FY 1978 programmatic request.

The new programs, in addition to continuing education and medical expansion, for which funds are requested in FY 1978 include a Center for Bilingual-Bicultural Education at Chicago Circle, an Institute for Environmental Studies at Urbana-Champaign, an Institute for the Study of Developmental Disabilities at Chicago Circle, Expansion and Maintenance of the Cooperative Extension Service Program in Urbana-Champaign, a Library Automation Program at Urbana-Champaign and a program to reduce the deficiencies in equipment replacement and building maintenance at Urbana-Champaign.

The Center for Bilingual-Bicultural Education (\$75,000) — Will be particularly concerned with the coordination of existing academic resources (and identification of new resources), the preparation of bilingual-bicultural education programs, and the development of related community resources in adult education programs. In addition, the center will coordinate all research activities in bilingual-bicultural education.

Reflecting specific areas of faculty strength and interests, as well as important ethnic linguistic demographic concentrations in Chicago, the center will initially focus on Spanish-English and Polish-English programs at the elementary and secondary school levels.

The Institute for Environmental Studies (\$153,300) — Currently has active programs centered in the natural sciences such as the metals task force and the toxic substances task force and has recently established a new task force concerned with the environmental effects of wastes from coal conversion plants. A partial measure of the success of this relatively new institute is its proven ability to attract other sources of funds that are projected to exceed \$1 million in FY 1977 as compared to its state funds of approximately \$300,000 in the same year. The objective of the FY 1978 request for \$153,300 is to expand the core of the institute to develop new task forces which can respond further to the needs of the people of the state. In particular, the institute recognizes the need to further develop research, education, and public service activities in four important areas: social sciences, air and water resources, environmental trade-offs in energy production and consumption systems, and environmental effects of alternative transportation systems.

The Institute for the Study of Developmental Disabilities (\$218,800) — Will be operated cooperatively by the Departments of Biological Sciences and Psychology at Chicago Circle and the Illinois Department of Mental Health and Developmental Disabilities. The State of Illinois has mandated that the Department of Mental Health and Developmental Disabilities provide through such an institute services for some 200,000 developmentally disabled persons not presently served by existing programs. The institute and participating faculty will sponsor seminars and lectures, coordinate courses, promote cooperative research and combine practicum and laboratory facilities for specialized training for service and research personnel in areas related to mental retardation, epilepsy, cerebral palsy and autism.

Cooperative Extension Service (\$188,400) — In order to carry out the mission of the Cooperative Extension Service to provide expertise in areas directly affecting Illinois agriculture, the Cooperative Extension Service of the University of Illinois will require new funds to support necessary program expansion and to allow maintenance of the current level of state-wide contact. Additional funds are required to support the preparation of 4-H literature. Enrollment in the 4-H program has increased by 46% in the last four years and there has been a comparable increase in the cost of providing support literature. Furthermore, paper and printing costs have risen 30-40% compounding the cost increases.

Area extension advisers are needed as back-up to county advisers to provide more specific knowledge in livestock production, business and marketing and agricultural engineering. The lack of area advisers to provide back-up is seriously hampering efforts to implement the state-wide plan for agricultural growth and development.

The Library Sharing Program (\$588,300) — At Urbana-Champaign involves the implementation of a computerized circulation system at the Urbana-Champaign Library which will also provide state-wide access to this collection. The proposed system is currently operational at Ohio State University where it was developed by Pro-

TABLE 1
FY 1978 OPERATING BUDGET COMPONENTS

I. Continuing Components	
A. Salary Increases (8.4%)	\$14,646.1
1. Regular Market (5.3%)	(9,861.8)
2. Market Recovery (2.5%)	(4,103.8)
3. Open Range Adjustments (2.0%)	(677.5)
B. General Price Increases	2,240.9
1. Regular Increase (5.0%)	(1,600.6)
2. Purchasing Power Recovery (2.0%)	(640.3)
C. Utility Price Increases (12.5%)	1,723.1
Subtotal	\$18,610.1
D. Operating Funds for New Facilities	772.9
E. Workmen's Compensation Increase	72.0
Subtotal (Part I)	\$19,455.0
% Increase over FY 1977 Base*	7.92
II. Programmatic Components	
A. Extended Education	\$ 3,876.7
1. Continuing Education	(1,989.3)
2. Extended Day	(1,887.4)
B. Health Professions	3,912.5
1. Medical Center	(3,500.0)
2. Veterinary Medicine	(412.5)
C. Program Development	1,223.8
1. Bilingual Education Center	(75.0)
2. Institute for Environmental Studies	(153.3)
3. Institute for Developmental Disabilities	(218.8)
4. Agriculture Cooperative Extension	(188.4)
5. Library Sharing Program	(588.3)
D. Equipment Recovery	250.0
E. Space Realignment, Remodeling, & Replacement	650.0
TOTAL (Part II)	\$ 9,913.0
% Increase over FY 1977 Base*	4.04
Total Increment (Regular)	\$29,368.0
III. Special Service and Special Funding	\$ 1,668.4
GRAND TOTAL	\$31,036.4
% Increase over FY 1977 Base*	12.63

* FY 1977 Base, excluding retirement, IBA, and GRF Capital = \$245,547.6.

fessor Hugh Atkinson, the new Director of the Urbana Campus Library. The new circulation system is seen to have benefits far in excess of its cost, since it will not only substantially improve library circulation and acquisition functions but will also provide a key role in solving the state-wide library storage problem.

Equipment and Building Maintenance (\$900,000) — Funds are requested for elimination of equipment deficiencies at Urbana-Champaign which have occurred because large numbers of equipment items have become obsolete in a period of low state funding. There is currently a deficiency of over \$1 million in equipment funds at the Urbana campus alone. For this reason \$250,000 are requested for FY 1978 to begin funding the most pressing equipment needs. Another program deficiency area is that of operation and maintenance. The Urbana campus currently has a \$4 million deficiency in

operation and maintenance, which has occurred due to inadequate funding during the past six years; therefore, \$650,000 are requested for space realignment, remodeling, and replacement which would give the University the feasibility it needs to solve the most pressing problems in building maintenance.

Special Service and Special Funding Components (\$1,668,400)

These components of the University's operating budget, although outside the main function of the University, provide essential services to Illinois residents. The programs, although managed by the University, are outside the mainstream of University instruction, research, and public service; and, therefore, should not compete with educational funds. The special services components are the Division of Services for Crippled Children (\$954,400), Willard Airport Public Service (\$254,800), and the Police Training Institute (\$258,100). The special funding component (\$201,100) is County Board Matching Funds for the Cooperative Extension Service and will be requested from the Agricultural Premium Fund. Table 1 summarizes the FY 1978 operating budget components.

SUMMARY OF THE FY 1978 CAPITAL BUDGET REQUEST

The total capital program requested from state funds for FY 1978 is \$56,115,900 exclusive of reappropriations. Of this amount, \$8,591,018 is a resubmission of projects approved by the 79th General Assembly for FY 1977 but vetoed by the Governor. Table 2 provides a listing of the estimated state funds for building projects and budget categories by campus.

The FY 1978 capital request for the University of Illinois is a reflection of two major forces — (1) the programmatic needs of the campuses, including new programs and changes in existing programs which necessitate changes in space functions, and (2) the need to renovate space which has become obsolete both physically and functionally. Recognizing the realities of the fiscal conditions in Illinois, the capital program approved by the Board of Trustees is a sincere effort to obtain maximum benefits for the University and for the state. In developing the FY 1978 capital budget request, the University has requested funds for those projects which are the most urgent and most essential to the mission of the University of Illinois. In addition to program related projects, there are projects which are designed to save future operating costs both in terms of energy consumption and manpower. The only new major building projects — three library additions and a law building addition — are required to meet needs which cannot be met through remodeling and/or realignment of space. Space realignment, remodeling, and replacement funds as well as major remodeling funds are requested for each campus to continue a program of renovating and upgrading existing space.

The capital program at Chicago Circle campus reflects the effort toward accommodating the needs of a

changing mix of students, the beginning of the extended day program (with its anticipated enrollment increases), and the increased emphasis on life-long learning and community involvement. The major projects are (1) the library addition for which planning funds were appropriated in FY 1975, (2) continuation of remodeling in the Science and Engineering Library and in the Roosevelt Road Building, and (3) continuation of the Building Equipment Automation program.

The capital program at the Medical Center campus reflects the effort to upgrade and remodel existing space to accommodate the changing needs of the expanding programs in the health professions. The major projects include the continuation of the remodeling in SUDMP, beginning the renovation of the building at 1919 West Taylor, ventilating and air conditioning the College of Pharmacy Building, beginning the remodeling in the building at 715 South Wood, and planning for use of the space to be vacated upon completion of the Replacement Hospital.

The capital program at the Urbana-Champaign campus reflects the effort to upgrade and remodel existing structures to accommodate changing needs for teaching and research programs and to provide new buildings in those cases which cannot be met by remodeling of existing structures. The major projects include (1) five new building projects — Willard Airport Crash Rescue Facility, Two Veterinary Research Buildings, Engineering Library Stack Addition, Library Sixth Stack Addition,

and the Law Building Addition, (2) continuation of remodeling in the English Building, and the College of Engineering, and (3) planning for a new Life Sciences Teaching Laboratory, Nuclear Reactor Laboratory Phase II and the remodeling of the space in Davenport Hall that will be vacated upon completion of the Turner Hall Addition.

Table 3 provides a detailed listing of all capital projects in priority order that have been requested for FY 1978. The first 26 projects are projects from the FY 1977 request that were vetoed by Governor Walker. If the override is successful, they will be removed from the FY 1978 request. The projects listed as Space Realignment, Remodeling, and Replacement (SR²) are umbrella projects that include many small projects to be accomplished within a total dollar amount that has been determined by a formula to account for the necessary space changes, remodeling and replacement that will occur in a building each year dependent upon the replacement cost of the building. The priority of the SR² projects is considered the same among the campuses even though they are listed in the order of Chicago Circle, Medical Center, and Urbana-Champaign.

Table 4 gives a detailed list of the projects to be included under each request for Space Realignment, Remodeling, and Replacement. The small projects listed under SR² are in priority order and will be accomplished in accord with the funds finally appropriated and released.

TABLE 2
SUMMARY OF FY 1978 CAPITAL BUDGET REQUESTS
(Total Dollars Requested by Each Campus)

	<i>Chicago Circle</i>	<i>Medical Center</i>	<i>Urbana- Champaign</i>	<i>Total</i>
Buildings, Additions, and/or Structures.....	\$ 7,562,500	-0-	\$11,241,400	\$18,803,900
Library Addition	(7,562,500)			
*Willard Airport Crash Rescue Facility.....			(100,000)	
*Veterinary Medicine Research Buildings.....			(366,400)	
Engineering Library Stack Addition.....			(2,127,500)	
Library Sixth Stack Addition.....			(3,966,300)	
Law Building Addition.....			(4,681,200)	
Funds to Complete Bond. Eligible Bldg.....	41,000	\$ 1,000,000	65,100	1,106,100
Land.....	-0-	-0-	148,500	148,500
Equipment.....	720,500	6,421,300	1,952,960	9,094,760
Utilities	150,000	-0-	1,498,200	1,648,200
Remodeling and Rehabilitation.....	2,215,000	6,998,600	5,221,700	14,435,300
Space Realignment, Remodeling & Replacement.....	1,662,828	1,976,119	4,922,283	8,561,230
Site Improvements	278,300	85,000	414,400	777,700
Planning.....	-0-	250,000	808,400	1,058,400
Cooperative Improvements	145,000	-0-	336,900	481,900
Total	\$12,775,128	\$16,731,019	\$26,609,843	\$56,115,900

* This project is a resubmission of the FY 1977 project which was approved by the 79th General Assembly, but vetoed by the Governor.

TABLE 3
DETAILED LIST OF FY 1978 CAPITAL REQUEST IN PRIORITY ORDER

<i>University Priority</i>	<i>Project</i>	<i>Category</i>	<i>Chicago Circle</i>	<i>Medical Center</i>	<i>Urbana- Champaign</i>
*1	Replacement Hospital.	Equipment		\$ 1,345,000	
*2	Continuation SUDMP.	Remodeling		830,200	
*3	Space Realignment, Remodeling & Repl.	Remodeling	\$ 813,328		
*4	Space Realignment, Remodeling & Repl.	Remodeling		485,842	
*5	Space Realignment, Remodeling & Repl.	Remodeling			\$ 1,018,288
*6	Space Realignment, Remodeling & Repl.	Equipment			65,000
*7	English Building Renovation.	Remodeling			285,000
*8	English Building Renovation.	Equipment			23,900
*9	Animal Room Improvement-Morrill.	Remodeling			279,000
*10	Animal Room Improvement-Morrill.	Equipment			30,000
*11	Central Supervisory Control Center.	Utilities			270,000
*12	Building Equipment Automation.	Remodeling	300,000		
*13	Upgrade 1919 West Taylor-Ph. I.	Remodeling		685,000	
*14	Coble Hall Improvements.	Remodeling			270,000
*15	SEL Engineering.	Equipment	135,000		
*16	SEL Engineering.	Remodeling	250,000		
*17	College of Engineering Remodeling.	Remodeling			275,000
*18	College of Engineering Remodeling.	Equipment			25,000
*19	Engineering Library Stack.	Planning			50,900
*20	Roosevelt Road Building-Ph. III.	Remodeling	115,000		
*21	College of Medicine Project I.	Remodeling		100,000	
*22	Law Building Addition.	Equipment			126,000
*23	Veterinary Medicine Basic Sciences.	Planning			200,500
*24	Willard Airport Crash Rescue.	Building			100,000
*25	Vet. Med. Research Building (2).	Building			366,400
*26	Agricultural Engineering Sciences Bldg.	Planning			156,600
*27	Medical Sciences Building.	Land			38,500
*28	Replacement Hospital.	Funds to Complete		1,000,000	
*29	Replacement Hospital.	Equipment		4,655,000	
*30	Turner Hall Addition.	Funds to Complete			65,100
*31	Turner Hall Addition.	Equipment			1,110,000
*32	Vet. Med. Research Bldgs (2).	Equipment			75,000
*33	Library Addition.	Building	7,562,500		
*34	Library Addition.	Utilities	150,000		
*35	Library Addition.	Funds to Complete	41,000		
*36	Library Addition.	Equipment	240,500		
*37	Library Addition.	Site Improvements	85,300		
*38	English Building Renovation.	Remodeling			1,000,000
*39	Engineering Library Stack.	Building			2,127,500
*40	Engineering Library Stack.	Utilities			22,300
*41	College of Engineering Remodeling.	Remodeling			2,177,000
*42	College of Engineering Remodeling.	Equipment			35,000
*43	Continuation SUDMP - Part I.	Remodeling		1,217,400	
*44	SUDMP - Project II.	Remodeling		229,300	
*45	Pharmacy A C and Ventilate.	Remodeling		950,000	
*46	SAAMS - 1919 West Taylor	Equipment		55,800	
*47	Space Realignment, Remodeling & Repl.	Remodeling	849,500		
*48	Space Realignment, Remodeling & Repl.	Remodeling		1,490,277	
*49	SR-General Hospital Third Floor.	Equipment			36,200
*50	Space Realignment, Remodeling & Repl.	Remodeling			3,903,995
*51	SR-Animal Room Improvements.	Equipment			85,000
*52	SR-KCPA Remodeling.	Equipment			20,000
*53	SR-Visual Arts Laboratory.	Equipment			310,000
*54	SR-Library Remodeling.	Equipment			9,000
*55	SR-Developmental Biophysics.	Equipment			60,000
*56	SR-Lincoln Hall Remodeling.	Equipment			15,000
*57	SR-Veterinary Medicine Remodeling.	Equipment			75,000
*58	SR-Huff Gym Basement.	Equipment			25,000
*59	SEL Engineering Ph. III.	Equipment	345,000		
*60	SEL Engineering Ph. III.	Remodeling	400,000		
*61	Pedestrian Traffic Control-Morgan.	Cooperative Impr.	55,000		
*62	Life Sciences Teaching Lab.	Planning			153,100
*63	Life Sciences Teaching Lab.	Land			110,000
*64	Building Equipment Automation Ph. III.	Remodeling	300,000		
*65	Central Supervisory Control.	Utilities			330,000
*66	U.C. Sanitary District Wastewater Project.	Cooperative Impr.			228,000
*67	Library Sixth Stack Addn.	Building			3,966,300
*68	Library Sixth Stack Addn.	Utilities			90,900
*69	Coble Hall Improvements.	Remodeling			117,700
*70	Upgrade 1919 West Taylor Ph. II.	Remodeling		900,000	
*71	Pedestrian Traffic Control-Polk & Halsted	Cooperative Impr.	55,000		
*72	Continuation SUDMP - Part II.	Remodeling		950,000	
*73	Davenport Hall Remodeling.	Planning			70,000
*74	Auditorium Roof Replacement.	Remodeling			660,000
*75	Condensate Return System.	Utilities			155,000
*76	Roosevelt Road Building Ph. IV.	Remodeling	850,000		
*77	715 South Wood Ph. I.	Remodeling		1,225,000	
*78	Law Building Addition.	Building			4,681,200
*79	Law Building Addition.	Utilities			602,200
*80	Rockford School of Medicine.	Remodeling		241,000	
*81	Exterior Campus Graphics.	Site Improvements	43,000		
*82	Nuclear Reactor Lab Ph. II.	Planning			51,300
*83	Instructional Tennis Court Impr.	Remodeling			158,000
*84	Pennsylvania Avenue Street Impr.	Site Improvements			300,000
*85	Vacated Hospital Space.	Site Improvements		250,000	
*86	Bus Stop Shelters - CTA.	Planning			
*87	Campus Landscape Improvements.	Cooperative Impr.	35,000		
*88	Watermain Extension (SE).	Site Improvements			75,000
*89	Stadium Drive Resurfacing.	Utilities			27,900
*90	Urbana Signalization Program.	Cooperative Impr.			96,400
*91	Intramural Athletic Fields.	Cooperative Impr.			12,500
*92	Campus Landscaping.	Site Improvements	150,000		
*93	Demolition-General Services Bldg.	Site Improvements		85,000	
TOTAL BY CAMPUS			\$12,775,128	\$16,731,019	\$26,609,843

* This project is a resubmission of the FY 1977 project approved by the 79th General Assembly but vetoed.

1 See Table 3 for detailed listing of projects included in SR¹.

TABLE 4
 DETAILED LIST OF PROJECTS INCLUDED WITHIN THE FY 1978
 CAPITAL REQUEST FOR SPACE REALIGNMENT, REMODELING,
 AND REPLACEMENT (SR*)

Chicago Circle Campus

FY 1977 Projects	
Security System	\$110,200
Roof Replacement, AKA Libr. BSB, SEL	115,500
Lecture Center Roof & Drainage, Ph. I.	115,500
Rehabilitate Upper Walkway Ph. I.	115,500
OSHA	63,700
Exterior Wall	66,500
Service Building Rms. 150-156	36,900
Service Building-Ventilation	11,500
Sump Pump Installation Ph. II	23,100
Lecture Center TFCV System	83,600
Lecture Center Lighting	51,900
BSB-Acoustical-RM4113A	21,300

FY 1978 Projects

Code Compliance — Elevators	46,000
OSHA — Compliance — Ph. II	100,000
Campus Security (Ph. III)	95,000
Roof Replacement (Science & Engineering Laboratory)	280,000
Floor Slab Room B-500 — (Science & Engineering, South)	35,000
Rehabilitate Upper Walkway & Stairs, Ph. II	100,000
Fire Alarm Modification	95,900
Window Replacement — Roosevelt Road Building	45,000
Lecture Center Air Intake	52,000

Medical Center Campus

FY 1977 Projects	
General Hospital Third Floor	201,700
Elevator Renovation	265,100
Window Replacement NPL FUDAMP	63,800
Building Code Violations	115,400
Biologic Resource Lab	116,400

FY 1978 Projects

Code Compliance — Elevators	103,000
*General Hospital — Third Floor — Equipment	36,200
Remodel Room 346 — Pharmacy Building	270,000
Administrative Offices — Pharmacy Building	62,000
Remodel Room 200 — Pharmacy Building	218,000
Remodel Room 404 — Pharmacy Building	132,300
Biologic Resources Lab — Cagewashing Area	160,000
Interconnect Chilled Water Systems	175,000
Upgrade Fire Alarm System Ph. I	140,000
Hospital OSHA and Code Compliance	200,000
Window Replacements — 715 S. Wood, Hosp. Residence,	100,000
Illinois Surgical Institute	150,000
Building Equipment Automation	150,000
Elevator Renovation — Illinois Surgical	150,000
Campus Security — Ph. III	95,000
Upgrade Fire Alarm System Ph. II	150,000
2035 W. Taylor — Heating and Air Conditioning	158,000
2035 W. Taylor — Window Renovation	45,000

Urbana-Champaign Campus

FY 1977 Projects	
Electrical Modernization	80,700
Energy Conservation Heat Control	172,900
Natural History Bldg. — Heating Replacement	172,900
Natural History Bldg. — Sprinklers	109,500
Gregory Hall — Journalism	32,500
*Gregory Hall — Journalism Equipment	69,200
Architecture Bldg. Roof & Gutters	85,500
Alphel Hall Elevator	86,500
Environmental Research Lab	80,700
Cable Hall Plumbing	8,100
Library — Fire Protection	101,400
Free Gym Remodeling	197,100
Lincoln Hall Remodeling	92,200
David Kinley Hall — Room 114	109,500
*David Kinley Hall — Room 114 Equipment	5,800
Huff Gym Roof and Gutters	92,500
Astronomy Second House Windows	46,100
Condensate Return System	173,700
Lincoln Hall Elevator Replacement	98,000
Kranert Center for the Performing Arts	197,100
Library Reference Room	28,800
*Library Reference Room — Equipment	9,200
Library Floor Replacement	9,700
Gregory Hall — Stair Enclosure	124,200
Davenport Hall — Geography	107,200
Commerce Office Remodeling	32,300
Architecture Bldg. — Heating System	173,900
Architecture Bldg. — Floor Replacement	65,300
Arroyo Roof & Gutters	108,300
Mumford Hall Basement	86,200
Airport Hangar Improvements	77,300

FY 1978 Projects

Animal Room Improvements — Burrill Hall,	
Animal Science Lab	365,000
*Animal Room — Heating and Equipment	200,000
Kranert Center for the Performing Arts	275,000
*Kranert Center for the Performing Arts — Equipment	20,000
Visual Arts Laboratory	48,000
Visual Arts Laboratory — Equipment	200,000
Elevator Replacement — Lincoln Hall, Architecture Building	195,000
Library Remodeling	73,000

*Library Remodeling — Equipment	9,000
Ventilation Turndown — Civil Engr. Bldg., Library	90,000
Stair Enclosures — Gregory and Lincoln Halls	273,000
Elevator Installation — Huff Gym	220,000
Electrical Distribution System (Primary) Willard Airport	80,500
Davenport Hall — Biophysics	180,000
*Davenport Hall — Biophysics — Equipment	60,000
Roof Replacement — Armory (94,000), Biever (107,600),	
Civil Engr. Ph. I (131,000), Hort. Field Lab (26,500),	
Psychology (75,600), and Talbot (37,800)	472,500
Lincoln Hall Remodeling	179,000
*Lincoln Hall Remodeling — Equipment	15,000
Temperature Control — Adams Lab, Armory, Auditorium	99,000
Storm Window Installation — Mumford, Commerce	
West, Lincoln	80,000
Magnetic Door Holders — Biever, Animal Science Lab	36,000
Gregory Hall Lighting Improvements	30,000
Animal Room Exhaust Air — Small Animal Clinic Bldg.	90,000
HVAC Retrofit — Physics Building	80,000
Condensate Pump Replacement — Vet. Med. Bldg. & Annex,	
Meats Lab, Vet. Med. Research Bldgs., Child Development	
Lab, 1107 West Green	45,000
Commerce Remodeling	111,000
Cooling Tower Remodeling	67,000
Davenport Hall — Geography	102,000
College of Veterinary Medicine Remodeling	250,000
*College of Veterinary Medicine Remodeling — Equipment	75,000
Huff Gym Basement Remodeling	250,000
*Huff Gym Basement Remodeling — Equipment	25,000
Heating System Remodeling — Architecture Building	165,000
Metallurgy and Mining — Rooms 100 & 119 — Air Conditioning	60,000
Fire Alarm and Signal System Replacement — Library,	
Children's Research Center	26,300
Lighting and Electrical Improvement — Morrill Hall,	
Vet. Med. Bldg. & Annex	43,400
Window Replacement — Law Building	70,500
Remodel Air Conditioning Piping — Civil Engr.	
Digital Computer Lab	60,000
Remodel Steam Absorption Machines — Morrill, Fine	
and Applied Arts, Library, Commerce	137,700
Mumford Hall — Heating and Equipment	84,000
Physics Building Remodeling	45,000
Chilled Water System — Student Staff A/C Center	31,500
Building Plumbing System — Davenport, Lincoln,	
and Burrill Halls	205,500
Centrifugal Freon Air Conditioning System Replacement — Water	
Resources Building	35,000
Replacement — Window Sash (ME Lab) Auditorium	
Seats (Commerce)	63,500
Replacement — Stairs and Entrance Areas — Noyes,	
Wood Shop, EERL	23,500

* Equipment requests are not included in the SR* formula (which determines the total SR* funds and their distribution) or total dollar amount. They are shown here to demonstrate their relationship to the SR* projects. Equipment requests are made separately for each project in the equipment category.

FOOD PRODUCTION AND RESEARCH COMPLEX
 (FOOD FOR CENTURY THREE)

The FY 1978 budget request contains a third section, a capital request for a food production and research complex commonly called "Food for Century Three." This request is made separately from the capital program described previously and will not compete for the same funds. It is anticipated that this agricultural-veterinary medicine program will be funded from the Agricultural Premium Funds which exist to advance agriculture in the State of Illinois.

The magnitude of the world food shortage is increasing annually. Increasing population growth coupled with rising affluence in developing countries is expected to require an increase in food production of three percent annually or 30 million metric tons of food per year. To put this increased need in perspective, Illinois (which usually ranks first or second in the nation in corn production) produced 3.5 million metric tons (1.2 billion bushels) in 1975. Meeting expanded world food needs for one year would be the equivalent of doubling the 1975 Illinois corn crop.

The \$1.67 billion in agricultural commodities produced in Illinois made it the nation's leading export state and a major contributor in the fight against hunger and starvation. Illinois led all states in soybean exports

TABLE 5
UNIVERSITY OF ILLINOIS FOOD PRODUCTION AND RESEARCH COMPLEX
(FOOD FOR CENTURY THREE)
PROPOSED LIST OF CAPITAL PROJECTS

	Total Cost	FY 1978	FY 1979	FY 1980	FY 1981	FY 1982	FY 1983
<i>Buildings, Additions and Structures</i>							
Veterinary Medicine Basic Sciences Bldg.	\$21,813,200*	\$21,612,700					
Agricultural Engineering Sciences Bldg.	7,859,200**	7,702,600					
Dairy Farm Consolidation	298,600	298,600					
Downers Grove Extension—Storage	65,900	65,900					
Greenhouse Replacement	3,183,600		\$ 3,183,600				
Veterinary Medicine Research Buildings	524,500	524,500					
Dixon Springs Research Facility	216,000	216,000					
Downers Grove Extension Center	2,324,500		2,324,500				
Swine Research Center	1,381,800			\$ 1,381,800			
High Security Isolation Research Lab.	13,798,100			13,798,100			
Car Pool Maintenance Relocation	1,390,800			1,390,800			
Ruminant Laboratory	37,500			37,500			
Greenhouse Headhouse	1,749,500			1,749,500			
Veterinary Research Farm Complex Buildings	295,600			295,600			
Dixon Springs Agricultural Center	1,415,400			1,415,400			
Western Illinois Agriculture Center	150,100			150,100			
Veterinary Medicine Building Addition for Agriculture	4,261,400				\$ 4,261,400		
Turner Hall, Ph. III	24,067,000				24,067,000		
Agricultural Resources Center	4,605,500				4,605,500		
Agricultural Resources Center	7,327,400					\$ 7,327,400	
Turner Hall Greenhouse	1,973,800					1,973,800	
Subtotal	(\$98,727,400)***	(\$29,677,800)	(\$ 6,248,600)	(\$20,208,800)	(\$32,933,900)	(\$ 9,301,200)	
Funds to Complete Bond Eligible Buildings	\$ 1,000,000	\$ 1,000	\$ 1,000	\$ 307,200	\$ 96,000	\$ 229,700	\$ 365,100
<i>Land</i>							
Agriculture — Vet. Med.	\$ 1,400,000	\$ 1,000,000			\$ 400,000		
Dixon Springs	500,000	500,000					
Western Illinois	600,000	600,000					
Subtotal	(\$ 2,500,000)	(\$ 2,100,000)			(\$ 400,000)		
<i>Equipment</i>							
Veterinary Medicine Basic Sciences Building	\$ 1,560,000		\$ 560,000	\$ 1,000,000			
Agricultural Engineering Sciences Building	340,000		90,000	250,000			
Swine Research Center	150,000			50,000	\$ 100,000		
Greenhouse Replacement	220,000			220,000			
Veterinary Medicine Research Building	135,000			135,000			
Downers Grove Extension Center	30,000			30,000			
High Security Isolation Research Lab.	800,000				300,000	\$ 500,000	
Car Pool Maintenance Relocation	100,000				25,000	75,000	
Greenhouse Headhouse	200,000				200,000		
Vet. Res. Farm Complex Bldg.	50,000				50,000		
Dixon Springs Agr. Center	20,000				20,000		
Vet. Med. Bldg. Addition for Agr.	300,000					200,000	\$ 200,000
Turner Hall, Ph. III	1,500,000					500,000	1,000,000
Isolation Research Lab.	300,000					100,000	200,000
Agricultural Resources Center	200,000						200,000
Turner Hall Greenhouse	110,000						110,000
Animal Science Lab Remodeling	250,000						250,000
Subtotal	(\$ 6,465,000)		(\$ 650,000)	(\$ 1,685,000)	(\$ 695,000)	(\$ 1,475,000)	(\$1,960,000)
Utilities for Buildings	\$ 2,257,100	\$ 72,100	\$ 600,000	\$ 395,000	\$ 740,000	\$ 450,000	
<i>Remodeling</i>							
Dairy Farm Consolidation	\$ 160,000	\$ 160,000					
Veterinary Medicine Bldg., Remodel for Agriculture	1,980,000			\$ 1,980,000			
Veterinary Research Farm Bldg.	200,000				\$ 200,000		
Animal Sciences Lab Remodel	1,100,000					\$ 1,100,000	
Subtotal	(\$ 3,440,000)	(\$ 160,000)	(— 0 —)	(\$ 1,980,000)	(\$ 200,000)	(\$ 1,100,000)	
Site Improvements (Circulation Revisions)	\$ 610,500		\$ 610,500				
TOTAL	\$115,000,000***	\$32,010,900	\$ 8,110,100	\$24,576,000	\$35,064,900	\$12,555,900	\$2,325,100

* Includes \$200,500 in Planning Funds Requested in FY 1977.

** Includes \$156,600 in Planning Funds Requested in FY 1977.

— \$699 million; was second in corn exports — \$723 million; and was second in meat products export — \$28.6 million. Illinois has ranked fourth among all states in total cash receipts from the sale of all farm products for a number of years, exceeded only by California, Texas, and Iowa — all of which are larger in acreage. Illinois is usually first in the nation in soybean production, first or second in corn and in pork production, and among the first ten states in production of all livestock products. The gross farm income in Illinois has been over \$3 billion annually since 1968. It was \$5.363 billion in 1973, \$6.174 billion in 1974, and will probably be about \$6 billion in 1975, when final figures are tabulated.

Many authorities have long realized that education and research represent the major tools that can lead to better farming methods, increased grain and livestock production, better transport systems for delivering food,

improved food packaging and preservation, new and different foods, more effective fertilizers and herbicides, etc. The State of Illinois has invested resources in building a strong state university system, with particular strength in research at the Urbana-Champaign campus. Faculty members in many departments and colleges at the University of Illinois at Urbana-Champaign have contributed to Illinois' leadership in the food production area. In turn, using the results of faculty research in direct application to Illinois' agricultural enterprise, the state's overall economy has prospered, and it has been able to make a significant contribution toward solving national and world-wide food shortages.

The University of Illinois can provide the human resources to mount the attack against food shortage, and the proposed building program provides the physical resources from which to launch it. By supporting such a

program, the State of Illinois will be enhancing and improving the investment it has already made in first-rate agricultural teaching, research, and extension programs. At the same time it will be investing in activities which are critically important to improving the state's own agricultural productivity and thus improving its economic base.

As summarized in Table 5, the proposed building program would provide the needed space to allow faculty members in the Colleges of Agriculture and Veterinary Medicine to pursue more effectively federal research funds that will soon be available. It will allow both colleges to expand and modernize their extension efforts in

the state, and it will provide space for the College of Veterinary Medicine to increase the size of its entering freshman class from 70 to 104 students.

It is proposed that the capital projects in this program, which are to be constructed over a period of eight years, be financed by a special issue of bonds totaling \$114,000,000 to be retired over a period of 32 years at an annual interest rate anticipated not to exceed 5.75%. *The source of funds for the annual payments to retire the bonds is proposed to be the Agricultural Premium Fund* — a special fund created for the advancement of agriculture in the State of Illinois.

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FACULTY LETTER

FROM THE OFFICE OF THE PRESIDENT · UNIVERSITY OF ILLINOIS

No. 266, November 15, 1976

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AT URBANA-CHAMPAIGN

Summary of American Council on Education Report

COSTS OF FEDERALLY MANDATED SOCIAL PROGRAMS AT COLLEGES AND UNIVERSITIES

The operating costs of colleges and universities have increased over the past decade far faster than has the general price level. Part of the increases are attributable to the added cost of implementing an ever-growing number of federally mandated social programs. The American Council on Education (ACE) undertook a study to provide quantified examples of these cost increases and to reach a better understanding of their impact on the financial conditions of academic institutions. The following comments are excerpts from the special report titled "The Costs of Implementing Federally Mandated Social Programs at Colleges and Universities," published in June of 1976 by the American Council on Education.

PROCEDURE

Rather than provide an extensive survey of institutions using a form questionnaire, the ACE decided to use the approach of an intensive investigation by a small task force with a small number of institutions. This procedure was followed because in the judgment of ACE, the close collaboration with a few institutions would produce far more usable information than a large scale survey, and it would provide a more solid basis for any subsequent broad survey on narrowly defined topics.

TASK FORCE INSTITUTIONS

In order to assemble a reasonably typical group of colleges and universities, six task force institutions were selected on the basis of the following criteria:

1. Type and control;

2. Geographic location (constrained by consideration of travel costs);
3. Financial conditions (apparently not in unusual financial distress);
4. Availability of cost data, including historical data, and experience with sophisticated data collection techniques;
5. Awareness of commitment to the objectives of the selected programs.

The six task force institutions selected by control and type were:

- University of Illinois at Urbana, Illinois (state institution)
- Miami-Dade Junior College, Miami, Florida (community college)
- Duke University, Durham, North Carolina (private university with hospital)
- Georgetown University, Washington, D.C. (private university with hospital)
- Hampton Institute, Hampton, Virginia (private comprehensive college)
- College of Wooster, Wooster, Ohio (private liberal arts college)

FEDERALLY MANDATED SOCIAL PROGRAMS INCLUDED IN THE STUDY

The federally mandated social programs listed below were selected because they apply to colleges and universities as business entities, and do not extend to social programs directed only at educational institutions. Thus,

the programs included are only a small part of the massive legislation — federal, state, and local — that affects higher education.

Equal Employment Opportunity — Title VII of the Civil Rights Act of 1964, as amended by the Equal Employment Opportunity Act of 1972.

Equal Pay — Equal Pay Act of 1963.

Affirmative Action — Executive Order 11246, issued in 1965, as amended by Executive Order 11375 to include discrimination on basis of sex. 1967.

Age Discrimination — Employment Act of 1967, as amended.

Wage and Hour Standards — Fair Labor Standards Act (FLSA) of 1938, as amended.

Unemployment Compensation — Social Security Act of 1935; Employment Security Amendments, 1970.

Social Security Tax Increases — Social Security Act of 1935; Employment Security Amendments, 1970.

Health Maintenance Organizations (HMOs) — Health Maintenance Organization Act of 1973.

Retirement Benefits — Employment Retirement Income Security Act (ERISA) of 1973 (note: public institutions excluded).

Wage and Salary Controls — Economic Stabilization Act of 1970 (note: public institutions excluded; non-profit institutions exempted January 25, 1974).

Occupational Safety and Health — Occupational Safety and Health Act (OSHA) of 1970.

Environmental Protection — Regulations implemented under several laws by the Environmental Protection Agency.

PERIOD COVERED BY THE STUDY

The period covered in the study is the ten years from 1965 to 1975, which covers the two business recessions in 1970-71 and 1974-75. Because enactment of new federal social legislation accelerated rapidly in the late 1960s and early 1970s, information had to be collected over a period beginning as early as 1965 in order to establish at least a rough baseline for identifying incremental costs. In general, the participants in the study were able to provide better information for the years after 1970 than for the previous years. This may have the effect of understating costs more in the earlier years than in the later years of the study and thus overstating the rate of cost increase. However, the estimates of the dollar cost of the mandated program are probably more conservative than are the estimates of the rate of cost increases.

HIGHLIGHTS

The major highlights of the study are given below.

In 1974-75, the costs to the individual institutions of implementing these federal programs were small (1-4 percent) relative to total institutional operating budgets,

but large relative to (1) income from endowments and gifts, (2) the deficits suffered by some institutions in recent years, and (3) the budgets of some academic departments that face extinction because of shifts in institutional budget priorities.

As new mandated programs were added over the 1965-75 decade, the costs increased considerably faster than instructional costs or total revenues. Thus, to cover these mandated costs, institutions have had either to generate added revenues or to cut expenditures.

Administering these federal programs is itself costly, having increased over the decade from a negligible share to as much as one-eighth to one-fourth of general administrative costs.

By far the greatest cost increases result from increases in social security taxes, i.e., taxes on employment. Inasmuch as colleges and universities are highly labor-intensive, employment taxes fall especially heavily on them. Thus, the value of the tax exemption conferred on academic institutions because of their nonprofit status — an exemption that generally applies to taxes on income, property, and sales, but not to taxes on employment — is vitiated.

These programs have contributed substantially to the instability of costs at the task force institutions from year to year and thus have compounded their difficulties in financial management and budget balancing.

In addition, the study suggests the following hypothesis, which needs to be tested with a larger sample.

The cost impact of the programs differs by size and type of institution, being most severe for highly "visible" (i.e., large and prestigious) institutions and for private institutions.

Because a large part of the mandated costs is related to employment, and because academic institutions are more labor-intensive than are most manufacturing and many service enterprises, the cost impact of the programs may be greater on them than on many profit-oriented industrial firms. In addition, colleges and universities have less flexibility in raising prices and reducing other expenditures to generate funds to cover the mandated costs, all of which must be met out of current institutional budgets.

Federal policies relating to social justice, manpower, science, defense, and taxation may have a far greater financial impact on higher education than does any explicit and coherent federal policy in support of higher education.

Some actual data from the report indicating the trends in costs of implementing the federally mandated social programs over the period from 1965 to 1975 are shown in the table on the next page.

Copies of the report are available from the Publications Division, American Council on Education, One Dupont Circle, Washington, D.C. 20036, at a cost of \$3.50 per copy.

TRENDS IN COSTS OF IMPLEMENTING FEDERALLY MANDATED SOCIAL PROGRAMS
1965-75

(By Institution, Including Social Security Taxes)

Institution Control and Type	I Public State University	II Public Local Community College	III Private University, with Hospital	IV Private University, with Hospital	V Private Comprehensive College	VI Private Liberal Arts College
Highest Degree Offered	Doctorate	Associate	Doctorate	Doctorate	Master's	Master's
FTE Enrollment, 1974-75	33,000	23,000	8,000	10,000	3,000	2,000
Expenditures, 1974-75	\$213,000,000	\$44,500,000	\$160,000,000	\$86,000,000	\$12,500,000	\$10,500,000
1965-66	\$ 438,470			\$ 110,736	\$ 2,158	\$ 4,540
1966-67	348,809			359,522	71,113	16,028
1967-68	176,467			555,194	131,926	23,081
1968-69	346,265	\$ 25,567	\$ 391,545	611,384	202,908	43,511
1969-70	683,645	138,250	661,559	1,440,581	221,908	105,583
1970-71	856,129	156,240	1,607,738	992,038	216,493	119,753
1971-72	880,932	240,107	1,450,318	1,485,302	242,245	131,893
1972-73	819,815	337,451	2,493,210	1,809,287	279,659	123,789
1973-74	1,156,583	441,257	3,715,170	2,330,676	385,619	154,965
1974-75	1,302,545	480,067	3,618,070	3,603,243	467,493	240,164

Source: American Council on Education, Policy Analysis Service. Data compiled by the Special Costs Study Task Force, spring 1975.

Letter from Annuityants' Association to Faculty

ASSOCIATION PRESIDENT J. E. BLAZE ADDRESSES UIUC FACULTY AND STAFF

People who are dependent, or will be, on the State Universities Retirement System, are facing real trouble.

For years the office of the system, and the annuityants, have carried the major burden of concern because of the underfunding of the State Universities Retirement System. The time has now arrived for the active faculty to be concerned about the resources upon which they will depend when they become retirees.

Our pension system, and the other state-funded systems of Illinois, are in serious difficulties.

"A study of the pension liabilities of thirty-five states with significant amounts of general obligation debt outstanding, by Smith Barney Harris Upham & Co. has found five states significantly underfunded.

"The study concluded that Illinois, Massachusetts, Connecticut, Michigan, and Florida had potential difficulties in meeting their benefit payments. Furthermore, the study said, 'none of the above has yet made significant strides in overcoming its funding difficulties.'"

A 1967 amendment to the Illinois Pension Code (Illinois Revised Statutes, Chapter 108 1/2, Sec. 15-155) provides that "The contributions of employers from State appropriations for any fiscal year shall not be less than an amount which is required to fund fully the current costs in accordance with actuarial reserve requirements as prescribed in paragraph (1) of this section, plus interest at the prescribed rate on unfunded accrued liabilities." This provision was designed to stabilize the liabilities

for past service at the July 1, 1967, level of \$143,000,000. It would do this by fixing the employer contributions *at no less than* the current service costs plus interest on the unfunded accrued liabilities.

Since this legislation was approved, many efforts have been undertaken unsuccessfully to improve the rate of funding through legislative appropriations and litigation.

On May 8, 1973, Governor Walker said in a letter to Timothy Swain, president of the Board of Trustees, of the State Universities Retirement System, "I promised to provide adequate funding and I mean to do just that."

On September 24, 1974, Mr. Harold Hovey, director of the Bureau of the Budget, in a letter to the Board of Higher Education said, "Neither the governor nor the Bureau of the Budget has made a decision to 'fully fund' or a decision to pay 100 percent of payouts. . . ."

The 1975 appropriation for the State Universities Retirement System was \$64 million *less than the minimum statutory requirement*. The unfunded accrued liabilities for this one system exceeded \$587 million on August 31, 1975, and the deficit for the five state-supported systems was approximately \$3 billion. In 1975, the state appropriated to the State Universities Retirement System \$2,049,000 less than the state's share of benefit payouts for the 1975-76 fiscal year.

The annuityants of the State Universities Retirement System sincerely believe that:

1. *At a minimum*, the state should appropriate annually funds sufficient to meet its share of the annual payouts.

2. Although full funding of the systems may not be feasible, the governor, the Pension Laws Commission, and the legislature should agree on a program which, over a period of fifteen to twenty years, would raise the rate of funding of the system (45 percent) at least to that of the General Assembly System (now 61.7 percent).
3. The solution to the funding problem actually is more important to the faculty and staff than the annuitants.

The older members of the staff will become concerned with the problem of funding as they approach the time when they will be dependent on the reserves of the system funds for their own security in retirement. But the younger members of the faculty should be even more concerned because of the larger sums they will contribute to a less and less reliable system. So, there are strong reasons for the faculty and staff to be concerned and active in seeking corrective measures.

Grievance Procedures to Follow on Three Campuses

IMPROVED TO COMPLY WITH TITLE IX, NONDISCRIMINATION ON BASIS OF SEX

Each campus of the University of Illinois has adopted grievance procedures in compliance with Title IX, Non-discrimination on the Basis of Sex, for academic/professionals, faculty, and students. The General University also has adopted such procedures. Nonacademic personnel with complaints should follow the procedures outlined in Chapter VII, Grievances of the *Policy and Rules — Nonacademic*.

The new procedures provide for the processing and disposition of complaints by faculty, staff, and students as well as applicants for admission and for employment alleging discrimination on the basis of race, sex, national origin, religion, age, handicap, or status as a disabled veteran or veteran of the Vietnam era.

Copies of the procedures can be obtained as follows.

Chicago Circle:

Faculty grievances: Nan E. McGehee, 2801 University Hall (phone: 4878)

Academic/Professional grievances: Nan E. McGehee, 2801 University Hall (phone: 4878)

Student grievances: Weyman Edwards, 801 University Hall (phone: 3123)

Nonacademic grievances: Yvette Jackson, 707 University Hall (phone: 2602)

Medical Center:

Faculty grievances: Carol A. Mootry, 414 Administrative Office Building (phone: 8670)

Academic/Professional grievances: Carol A. Mootry, 414 Administrative Office Building (phone: 8670)

Student grievances: William A. Overholt, 204 Administrative Office Building (phone: 4942)

Nonacademic grievances: George McGregor, 310 Administrative Office Building (phone: 6680)

Urbana-Champaign:

Faculty grievances: Office of Academic Affirmative Action, 209 Coble Hall (phone: 3-0574)

Academic/Professional grievances: Office of Assistant Vice-Chancellor for Academic Affairs, B-3 Coble Hall (phone: 3-2759)

Student grievances: Campus Student Assistance Center, 130 Student Services Building (phone: 3-4636)

Nonacademic grievances: James Ransom, 52 East Gregory Street (phone: 3-2147)

General University:

Copies of all of the General University grievance procedures may be obtained from Jean E. Somers, 306 Illini Tower (phone: 3-2590).



FACULTY LETTER

FROM THE OFFICE OF THE PRESIDENT · UNIVERSITY OF ILLINOIS

Na. 267, February 9, 1977

Report to the President on Intercampus Relations

PRESENTED BY ELDON L. JOHNSON, VICE-PRESIDENT FOR ACADEMIC AFFAIRS

This is a report in response to the assignments given this office on certain aspects of intercampus relations. Your letter of assignment was dated December 10, 1975.¹ It contemplated a response by, or soon after, September 15, 1976, on the assumption that a single, consolidated report would be made. Experience has shown the wisdom of filing separate reports, sector by sector. Therefore, it seems appropriate now to summarize what has been done, with a generalized commentary.

It must be realized, of course, that there are deep-seated, pervasive intercampus attitudes and historical relations which provide the unspoken context for all that is reported here. Intercampus distance is a factor, sometimes producing problems over the 135-mile axis between Chicago and Urbana-Champaign and sometimes producing both cooperation and overfamiliarity between the two Chicago campuses located three-quarters of a mile apart. Difference in campus missions is another factor, and so is comparative stage of development. A new operation in the shadow of the Sears Tower is bound to be different from a century-old operation at the site of what was long THE University of Illinois; and a specialized health-related campus is bound to differ from both.

The resources of this amalgam do, or should, provide enrichment and interlocking strength; otherwise the system is without merit. It is to discover and enhance the means of reciprocal support and mutual benefit that the assignments were made and executed.

Within this context the six selected segments chosen for study are summarized below.

Intercampus Research Relations. Examination of this area was, in fact, virtually completed when the overall task was assigned. It is included here because, in a sense, it set in motion concern for other intercampus relations. That examination was the result of response to one or two critical, and typical, intercampus problems which had arisen and had presented experience out of which future remedy might be wrought.

After extensive discussions in the University Aca-

dem Council, two policy statements were agreed upon and put into operation.¹ The first is an Early Notification System adopted on November 21, 1975, and sent to you on December 5, 1975. The vice-chancellors of academic affairs have used the system conscientiously and, on the basis of several concrete cases, testify to its effectiveness. The chief merit is the sharing of information among campuses early enough to anticipate and iron out intercampus complications, particularly in the creation of offices, centers, institutes, and other units of potential mutual concern.

The only problem areas so far experienced are: (a) the remaining possibility of an accomplished fact or "end run" via a successful grant application (although this possible bypassing of the policy was anticipated and steps taken to prevent it) and (b) the current campus-based reconsideration of plans for an All-University Center for Gerontology as previously worked out by an intercampus committee.

The second policy statement (also adopted November 21, 1975) concerned intercampus workshops, with the following results:

1. *Gerontology.* A most successful workshop, as judged by responses from the approximately 100 participants from the three campuses, was held on May 7 and 8, 1976, in Chicago. Emphasis was placed on research in progress, the national picture, and the most needed and promising research areas for the future. Commendation belongs particularly to Dr. Ethel Shanas (UICC) and her steering committee and Associate Vice-President Victor J. Stone for planning and execution.
2. *Cancer.* A three-campus planning committee under the chairmanship of Dr. Tapas Das Gupta (UIMC) is organizing a workshop on cancer research to be held on April 15 and 16, 1977.
3. *Genetics.* An intercampus committee has been appointed under the chairmanship of Dean William A. Overholt (UIMC) to plan a symposium workshop dealing with the frontiers of research in human genetics, including recombinant DNA research and

¹ See *Faculty Letter* No. 260, February 11, 1976.

social and ethical implications. Commissioned papers are planned with postsession publication for wider dissemination.

This sector of the original plan has worked as well as—perhaps better than—anyone contemplated. An original goal, not yet realized but still planned, is similar periodic intercampus effort on a disciplinary, rather than problem, basis.

Special thanks are due the President's Office for financial support of these efforts, the last two of which will have the aid of a Joyce Foundation grant to the University.

Graduate Degree Programs. A separate report will be filed soon on this important section of the intercampus studies. The campuses have now formulated answers (through special committees at UIUC and UICC and with similar aid on graduate program evaluation at UIMC) to key questions about current status and five-year plans for graduate education. These answers will, like the original questions, be considered by the University Council on Graduate Education and Research. Appropriate generalizations and systemwide considerations will be incorporated in the report.

Completion of this sector has been the most time-consuming of all, but emphasis has been on thoughtful planning rather than meeting deadlines. Without anticipating the final outcome, it can now be observed with confidence that these gains will be realized:

1. An internal status report and five-year projection of intent, sometimes general and sometimes specific, although perhaps falling short of "an internal master plan for graduate education" as once envisioned;
2. Extensive consideration and planning by all the regular machinery for graduate education at both the campus and system levels, plus augmentation by the participation of ad hoc committees;
3. Illumination of intercampus cooperation as a supplemental vehicle for achievement of the University's goal in graduate education—the special significance as a developmental device for Chicago Circle, the current status of joint degree programs, and options for the future;
4. Partial response to the planning expectations set forth in Master Plan IV of the Board of Higher Education.

Off-Campus Educational Services. The sector concerning University outreach has been completed. Reports were sent to you on September 1, 1976, one setting forth policy issues and planning targets and the other giving reports from five task forces. These latter groups and the parent body, the University Council on Public Service, spent months investigating problems and options for improvement. On the basis of your endorsing letter of September 22, 1976, the chancellors and campus officers are now seeking to make appropriate campus applications. The University Council on Public Service will also attempt to give priority to policies and targets which are attainable under present circumstances. If this urgent matter of delivery of off-campus services (e.g., ad-

vanced continuing education for professionals and the application of knowledge to societal problems) is to take its place alongside, or in supplementation of, traditional on-campus activities, it deserves and requires explicit attention and action.

Internal Evaluation. Universitywide concern about internal evaluation, with intercampus implications, takes two forms: (a) assurance that each campus has a systematic plan for periodic evaluation of programs and units and (b) Universitywide experimentation with a program for evaluation of top administrative personnel.

This is an area in which progress, rather than completion, will have to be reported. Progress on the first task, concerning campus systems, can be summarized as follows:

1. *Urbana-Champaign campus.* The COPE evaluation program was in being, and fully operative, before these intercampus studies were begun. Its early development and comprehensiveness have won it national attention.
2. *Chicago Circle campus.* All the essential pieces of a comprehensive system are now in place and an Evaluation Review Board has begun its work. This includes the establishment of evaluative criteria with workable definitions and the identification of programs and units to be evaluated in the first round. Two major components are incorporated: the work of the elaborate self-study organization called into being for accreditation review by the North Central Association and the program for evaluation of all graduate degree programs every five years. The remaining question is whether all these pieces can be cast together as a coherent plan which can be published and made known both to insiders and outsiders as an instrument of periodic "accountability," with due allowance for the imprecision of both the word and the expectations it engenders. Putting the several pieces into replicatable form is now being undertaken at the campus level. When done, it should be an appropriate and worthy parallel to the COPE system on the Urbana-Champaign campus.
3. *Medical Center campus.* A system of evaluation is nearing completion, but it is bound to reflect the unique features of UIMC and its special academic mission. With the emphasis on professions and the customary reliance of the health professions on periodic accreditation by outside bodies, these processes will inevitably loom largely in any final system. That regularizing process is now proceeding under the supervision of Vice-Chancellor William J. Grove, and a report is anticipated in a few weeks.

The conclusion of this phase of the studies now awaits the receipt (from UICC and UIMC) of the completed evaluative plans, their transmission to the President's Office, and their wide dissemination on the appropriate campus. We are on the threshold of having in place for the first time, on all campuses, systems of periodic program evaluation. This is not as novel as it sounds because evaluation has never been absent. How-

ever, the new thrust is toward a more formal system with emphasis on established periodicity, greater certainty, higher visibility, broader staff participation, and spelled-out procedures.

Supplementing, and in some ways complicating, the evaluative processes is the Administrator Evaluation Project. It is Universitywide and, in a sense, laid on top of the campus program evaluations, raising the inevitable question as to whether and how the two schemes are to be reconciled. While the project, under the direction of Professor Peter Yankwich, is proceeding with official and real evaluations of representative administrators by categories (e.g., department heads and deans), it is understood both by authorizing Senates and Trustees to be experimental. The future will depend on total experience, which will be analyzed and reported by the director at the end of the summer of 1977. Therefore, further comment would be premature.

This is unquestionably an era of general zeal for evaluation of all kinds, including performance auditing by state governmental agencies. Contributing components are the drives for openness, accountability, and participation. Candler requires recognition that some campus resistance is rising against these extensive evaluative efforts, with complaints about the time demands and fears about the budgetary uses. Experience is confirming that problems exist in how and what to publicize, the uses to which results should be put, who should do the evaluating, how the many levels of evaluating can be reconciled, the time/benefits trade-off, the internal-external tensions, and the short-run and long-run administrative effects. While the old assurance that evaluation inheres in ongoing budgeting and personnel procedures will no longer suffice, the shape of the more formal and purposeful substitute has not yet fully emerged. What is now taking place at the campus and University-wide levels will contribute to that process of emergence.

Intercampus Library Services. How to maximize the use of the University's library resources has long been a problem and challenge. The library at the Medical Center campus in Chicago has immense capacity to enrich the resources of the other two campuses in the life sciences and their adjuncts. Given its size and comprehensiveness, the Urbana-Champaign library is potentially an invaluable ally of the Chicago Circle campus as it builds towards its objective of on-site capacity to match its teaching-research-service mission in the Chicago area. Likewise, it is a rich supplementary resource for the Medical Center campus.

Yet experience shows that this is better theory than practice. A recent report indicates that interlibrary loans between the Urbana-Champaign campus and the Chicago Circle campus have actually declined in number, while the opposite was the intended objective. Also, in response to this perpetual problem, the University Council on Libraries (when it was created in 1967) was asked to maximize "the accessibility of all the University's library resources to potential users on all campuses, and including a consolidated statistical report for all libraries." In other words, the old challenge and the new

investigation came together. Therefore, the University Council on Libraries was asked to consider the library sector of the intercampus studies and to report its recommendations. That report, received on November 10, 1976, was sent to you on November 29, 1976. For a modest financial outlay, it proposes several remedial steps for immediate implementation:

1. Implementation of a courier service to provide 24-hour turnaround time for interlibrary loans.
2. Coordination of collection development to minimize duplication, facilitate purchase of expensive and esoteric items, and avoid conflicting actions.
3. Expansion of the Union List of Serials.

In addition to these steps hope lies in the implicit commitment of the top library personnel to strive, through their planning and recommendations, for a better match between theory and practice in the intercampus use of the University's total library resources.

To avoid confusion mention should be made of the Library Sharing Request in the FY 1978 budget which was worked out subsequent to the plan outlined above. While the more ambitious sharing plan, based on computerization, also addresses itself to interlibrary services, it is not a substitute for the procedural and personnel recommendations of the University Council on Libraries. The two plans have their independent but related merits and should be neither confused nor regarded as competitive.

While it would be naive to assume that intercampus library relations can be solved by yet another report (there have been many in the past!), the sound and modest recommendations which have resulted from your December 10, 1975, inquiry do augur well for some immediate improvement. They are eminently worth trying, in the full knowledge and with the determination that still more will be insisted upon if necessary to bring the unique resources of one library to the urgent needs of another in the University system.

Intercampus Student and Faculty Services. To be faithful to the organic concept of the multicampus University of Illinois, as distinguished from a loose confederation of autonomous institutions, students and faculty of the different campuses should engage in some sharing, reciprocity, and accommodation. There should be some advantage in being within the system as compared with being outside it — for example, student admissions from one campus of the University to another campus. In fact, the admissions problem antedated this study and served as the centerpiece for an examination of a range of similar intercampus relations, actual and potential, affecting students.

Responsibility for this sector was assigned to Director E. Eugene Oliver, University Office of School and College Relations, who chaired intercampus committees already engaged in, or well prepared to become engaged in, consideration of such shared services. His report will be ready as soon as intercampus agreement can be obtained on the assessment and collection of fees and the provision of services for students in intercampus programs. He has

already reported how the admissions, or student transfer, problem between campuses was resolved through an intercampus policy agreement. He will report also on other types of intercampus services (e.g., concurrent enrollment) affecting students and faculty under certain circumstances, with comment on what improvement seems feasible.

The conclusion seems warranted that, while important, this is not an area of intercampus relations which will generate either great need or much use.

Independently of this study, a proposal for a system of University Professorships, involving intercampus status and services, originated on the Chicago Circle campus. The idea was discussed both in the University Academic Council and the University Council on Graduate Education and Research and was referred to the campuses for consideration. Under present conditions the idea seems to lack sufficient interest for implementation. The major supplier of potential talent, the Urbana-Champaign campus, reported unencouraging response.

To recapitulate, the sector studies now stand as follows:

1. *Research Relations*. Completed. (Policy statement on

Early Notification System and Encouragement System available on request.)

2. *Graduate Degree Programs*. Campus reports have now been received and the composite Universitywide report will follow as soon as the University Council on Graduate Education and Research can be consulted. (All to be available on request.)
3. *Off-Campus Educational Services*. Completed, with two reports submitted on September 1, 1976. (Available on request.)
4. *Internal Evaluation*. (a) Campus program evaluation at UIUC has long been complete; UICC has a system now beginning to operate, with an integrated description soon to be available; UIMC is building on a composite of its professional accrediting reviews, with a final report expected soon. (b) Administrator Evaluation Project preliminary report due, as planned from the beginning, in autumn 1977. (All to be available on request.)
5. *Library Services*. Completed, with report submitted on November 10, 1976. (Available on request.)
6. *Student and Faculty Services*. To be completed by the end of February. (To be available on request.)

Report on the Pass-Fail Option at Chicago Circle and Urbana

PRESENTED TO THE UNIVERSITY OF ILLINOIS BOARD OF TRUSTEES DECEMBER 15, 1976

At its meeting on June 19, 1974, the Board of Trustees approved the continuance and modification of the pass-fail grading option for the Urbana-Champaign campus. In the discussion of the recommendation, it was understood that a report on pass-fail options would be prepared for the Board at the end of a two-year period.

A summary report follows of the policies, participation, and success rate of students utilizing the pass-fail option at Urbana-Champaign and Chicago Circle for the period fall 1973 through fall 1975 at the Urbana-Champaign campus and from spring 1974 through winter 1976 at the Chicago Circle campus. At the Medical Center campus, although all grades in certain clinical courses are either pass or fail, students are not offered the choice of taking courses on a pass-fail or regular grading system.

URBANA-CHAMPAIGN

Several substantive changes in the pass-fail system at the Urbana-Champaign campus were approved by the Board of Trustees on June 19, 1974, to be effective for the 1974-75 spring semester. These changes specified a minimum grade of C to receive credit under the option, rather than the D grade required previously, and excluded from the option those courses (a) used to satisfy the University general education requirements, (b) specifically required by the student's college for graduation, or (c) specifically designated by the curriculum as satisfying the student's major or field of concentration. Also excluded were fourth semester foreign language courses when taken to fulfill the graduation requirement

in the College of Liberal Arts and Sciences. The revisions permitted part-time students to participate for the first time by taking a maximum of one course pass-fail in any one semester and permitted full-time students to take a maximum of two courses in any one semester, rather than only one course as permitted under the previous policy. The terminology was also changed from pass-fail to credit-no credit.

Table 1 (page 5) shows the number and percent of student grades in courses taken on the pass-fail (credit-no credit) basis from fall 1973 through fall 1975. The percentages are based on the total number of courses taken by all students.

A substantial decline in participation is noted: credit-no credit courses taken by students at Urbana-Champaign in fall 1975 represent 1 percent of the total courses taken by students on that campus, compared with 4 percent in the fall of 1973. The actual number of courses taken on a credit-no credit basis dropped from 5,729 to 1,963 during this period.

The proportion of students taking credit-no credit courses who fail or, under the revised policy, receive no credit for the course, has increased slightly, from 4.61 to 6.16 percent of the total grades in such courses. The following table indicates the percentage of courses passed or failed as compared to the total number of courses taken on the credit-no credit basis:

	Fall 1973	Spring 1974	Fall 1974	Spring 1975	Fall 1975
Pass (credit)	95.39	96.20	96.15	94.08	93.84
Fail (no credit)	4.61	3.80	3.85	5.92	6.16

CHICAGO CIRCLE

The University of Illinois at Chicago Circle's pass-fail option for undergraduate students was initiated spring quarter 1974. This study covers the period from spring quarter 1974 through winter quarter 1976, and Table 2 (page 6) shows the number and percent of student grades in courses taken on a pass-fail basis during this period.

During that period, no changes were made in the provisions for the use of the option. There are two major differences between the pass-fail option at UICC and the credit-no credit option at Urbana-Champaign: at UIUC a student may take two courses per term under the option, whereas at UICC only one may be taken; under the UIUC credit-no credit option a C is the passing grade, whereas under UICC's pass-fail option a D is considered passing.

Three of the colleges at UICC established additional requirements for the use of the pass-fail option beyond those specified by the campus. Those colleges were: business administration, engineering, and liberal arts and sciences.

The additional requirement of the College of Liberal Arts and Sciences was that no more than two courses could be taken on a pass-fail basis in a single discipline; LAS does, however, allow a student to use the option for any course that is not a requirement for the major.

In the Colleges of Business Administration and Engineering, each of which has a substantial number of core courses, more stringent rules on the use of pass-fail have been imposed. The College of Business Administration prohibits its use for (a) English composition, (b) beginning economics, (c) required mathematics courses, and (d) administrative core courses other than business electives.

The College of Engineering restricts the number of hours that can be taken under the pass-fail option by limiting the courses permitted to six and imposing these additional restrictions: (a) no 100-level courses, (b) only two courses per discipline, and (c) no courses in the core.

A nonrigorous comparison of grades taken under the pass-fail option at UICC and under the regular grading system indicated that the incidence of failure is lower in courses taken pass-fail than in courses taken for a letter grade. This circumstance seems particularly interesting in view of the fact that under the UICC pass-fail option the instructor does not know that a student is registered in his course under the pass-fail option.

During the period studied, the greatest use of the pass-fail option was in courses offered by the College of Liberal Arts and Sciences. Those offered by the College of Health, Physical Education, and Recreation ranked second. For neither college, however, were pass-fail registrations high. Pass-fail grades in LAS courses never exceeded 4 percent; in HPER they never exceeded 2 percent. It is perhaps relevant that each of these colleges had a pass-fail option prior to the adoption of the campuswide option. Prior to initiation of the campuswide option, LAS had conducted a four-year pass-fail experiment under rules closely paralleling the campus option; HPER had authorized pass-fail grades in its service courses since fall quarter 1970. In the other colleges at UICC, with the exception of the Jane Addams School of Social Work where pass-fail registration hit an atypical high of 11 percent summer quarter 1974 and then dropped to less than 1 percent, pass-fail registrations were less than 1 percent for most of the period studied (Table 2).

In reviewing the report of its Ad Hoc Committee to Study the Pass-Fail Option, the Senate Committee on Academic Programs reached the following conclusions: the data presented provided no indication that the pass-fail option at UICC should be expanded, contracted, or modified; and the number of students exercising the pass-fail option is too small to justify pursuing other hypotheses or gathering additional data for further study.

The following table indicates the percent of courses passed or failed as compared to the total number of courses taken under the pass-fail option:

	Spring 1974	Summer 1974	Fall 1974	Winter 1975	Spring 1975	Summer 1975	Fall 1975	Winter 1976
Pass	94.89	96.09	96.19	94.68	95.60	94.62	95.44	95.06
Fail	5.11	3.91	3.81	5.32	4.40	5.38	4.56	4.94

TABLE 1

STUDENT PARTICIPATION IN UNDERGRADUATE PASS-FAIL (CREDIT-NO CREDIT) COURSES AT THE URBANA-CHAMPAIGN CAMPUS, BY COLLEGE
 Number and Percent of Student Grades in Courses Taken on Pass-Fail (Credit-No Credit) Option

College	Fall 1973				Spring 1974				Fall 1974				Spring 1975				Fall 1975				
	No.		%		No.		%		No.		%		No.		%		No.		%		
	P	F	P	F	P	F	P	F	P	F	P	F	P	F	P	F	P	F	P	F	
Agriculture	137	4	2	..	164	3	2	..	127	4	2	..	125	5	2	..	82	2	1	..	..
Commerce and Business Administration	436	20	3	..	590	30	4	..	381	21	3	..	286	28	2	..	244	22	2	..	..
Education	59	2	1	..	73	..	1	..	43	1	..	..	32	..	..	..	35	..	1	..	..
Engineering	97	7	1	..	149	3	1	..	94	2	1	..	66	2	..	..	29	5	..	..	..
Fine and Applied Arts	380	31	2	..	544	25	4	..	304	14	2	..	215	11	1	..	149	12	1	..	..
Communications	60	3	3	..	75	1	4	..	39	1	2	..	21	1	..	..	8	1	..	..	..
Liberal Arts and Sciences	4,132	194	6	..	5,058	199	7	..	3,455	138	5	..	1,196	84	2	..	989	66	1	..	..
Applied Life Studies	159	3	2	..	283	13	3	..	202	6	3	..	370	16	4	..	305	13	4	..	..
Aviation	5	..	1	..	2	..	..	..	..	..	..	..	9	..	2	..	1	..	..	..	..
Campus Total	5,465	264	4	..	6,938	274	5	..	4,645	186	3	..	2,320	146	2	..	1,842	121	1	..	..

TABLE 2
STUDENT PARTICIPATION, BY COLLEGE, IN THE CAMPUSWIDE PASS-FAIL OPTION AT THE CHICAGO CIRCLE CAMPUS
Number and Percent of Student Grades in Courses Taken on Pass-Fail Option

College	Spring 1974				Summer 1974				Fall 1974				Winter 1975			
	No.		%		No.		%		No.		%		No.		%	
	P	F	P	F	P	F	P	F	P	F	P	F	P	F	P	F
Architecture and Art	40	1	1		20		2		30				32			
Business Administration	35	1			6	1	3		32	1			34	2		
Education	4				1				3				1			
Engineering	4												7	1		
Health, Physical Education, and Recreation	42		2		7		2		23		1		22	1	1	
Jane Addams School of Social Work	24		2		18		11						2			
Liberal Arts and Sciences	983	52	4		336	16	4		694	30	1		863	48	2	
Urban Sciences																

College	Spring 1975				Summer 1975				Fall 1975				Winter 1976			
	No.		%		No.		%		No.		%		No.		%	
	P	F	P	F	P	F	P	F	P	F	P	F	P	F	P	F
Architecture and Art	40	3	1		5				24				29	1		
Business Administration	71	5	1		18	2			56	2			58	1		
Education	3				1				4				4			
Engineering	8			1	1				3				2			
Health, Physical Education, and Recreation	43	1	1		13	1	3		31	1	1		16			
Jane Addams School of Social Work	4															
Liberal Arts and Sciences	916	41	3		349	20	4		613	32	1		815	46	2	
Urban Sciences									1							

New University Director of Public Information Named

DAVID LANDMAN APPOINTED AT JANUARY MEETING; TO ASSUME OFFICE APRIL 1

David Landman, 59, has been named University director of public information at the University of Illinois effective April 1.

He will become one of ten general officers of the three-campus system of the University and will participate in policy discussions and decisions. He will be based in Chicago with a satellite office on the Urbana-Champaign campus.

The position has been vacant since the resignation of Charles E. Flynn.

Director of public affairs for the Pathfinder Fund in Boston since 1973, Landman formerly was director of information at the Harvard Business School (1969-73), associate director of development at Princeton University (1963-69), and assistant to the president of Cooper Union, New York (1959-63). From 1947 to 1959 he was a free-lance writer and editor.

Throughout his career, Landman has been involved with public relations, publications, communications, and development.

He is the author of numerous articles on education, social problems, health, and other areas and is a mem-

ber of the American Society of Journalists and Authors. He also has taught professional writing at the School of Public Communication, Boston University.

Landman holds an A.B., magna cum laude, from Brown University and an M.A. from Columbia. He is a member of Phi Beta Kappa.

At Illinois Landman will be responsible for developing programs to inform the public about the goals, activities, services, and accomplishments of the University.

In recommending Landman's appointment, University President John E. Corbally said, "I am pleased to be able to attract to the University of Illinois a person who is both a student of and experienced practitioner in the field of communications.

"The University needs to have its record of service to Illinois and to the nation described in ways which reinforce the understanding of its crucial significance to Illinois. It is to this task that Mr. Landman will devote his abilities and his energy."

His appointment was approved at the January meeting of the Board of Trustees.



FACULTY LETTER

FROM THE OFFICE OF THE PRESIDENT · UNIVERSITY OF ILLINOIS

No. 268, March 15, 1977

Illinois Board of Higher Education Budget Recommendations for FY 1978

COMPARISON OF UI BUDGET REQUESTS AND IBHE PROPOSAL

The Illinois Board of Higher Education (IBHE) approved on March 1, 1977, a suggested allocation of the \$50 million which Governor Thompson has stated represents the new money available for higher education in Illinois for Fiscal Year (FY) 1978. It is important to remember, however, that this suggested allocation does not represent the IBHE recommendations, but is an allocation made at the request of the governor.

On January 11, 1977, the IBHE made recommendations for FY 1978 operating and capital budget appropriations based upon IBHE analysis of needs and of the resources of the State of Illinois. These recommendations will be used in developing the appropriations bills for the University of Illinois for FY 1978. This report, then, is a comparison of the budget requests of the University of Illinois (see *Faculty Letter* no. 265, October 22, 1976) with the January 1977 recommendations of the IBHE.

The amount recommended for the Fiscal Year 1978 regular capital budget for the University is \$25,969,347. In comparison, the University originally requested \$56,115,900 for new capital projects. The University's capital request was revised to \$46,195,166 after the governor's veto of the FY 1977 budget was sustained. The major impact of the IBHE recommendations for regular capital projects will be the deferral of the proposed new building projects and the revision of the phasing of the major remodeling efforts.

The University's Food Production and Research Complex (Food for Century Three) proposal was favorably received by the IBHE. The IBHE recommended funding \$31,203,100 of the requested \$32,368,000.

DETAILED COMPARISON OF THE U. OF I. BUDGET REQUEST IN IBHE RECOMMENDATIONS: OPERATING BUDGET

Table 1 shows the detailed comparison of the University's operating budget request with the Illinois Board of Higher Education recommendations.

Salary Increases—The University requested salary increases averaging 8 percent for all personnel and an additional 2 percent for lower-paid staff personnel. A market study has shown that this employee group is farther

from market conditions than the other groups. The IBHE recommended an average 7 percent increase for all personnel with an additional 2 percent for the lower-paid group.

General Price Increases—The IBHE recommended a 5 percent increase for expense items and a 9 percent increase for equipment. The increased amount for equipment was recommended because appropriations in recent years have not been sufficient to replace equipment and acquire library books.

Utility Price Increases—The IBHE recommended the amount requested by the University for utility price increases. The requested increase of 12.5 percent is the smallest increase requested in the past three years for utility increases.

Operating Funds for New Buildings—The IBHE recommended a flat rate to support new buildings of \$2.20 per gross square foot; the University request (\$3.19 per gross square foot) represented the actual estimated cost for operating the new buildings. The problem of inadequate maintenance for University buildings will be increased as a result of adding new buildings without sufficient operating funds.

Continuing Education and Extended-Day—The continuing education and extended-day programs were supported at a level lower than that requested (\$998,000 vs. \$3,876,700). There are sufficient funds in this recommendation to begin the extended-day operation, but with fewer students than was originally planned. The funds for continuing education were recommended for needs assessment and evaluation at the Medical Center and for continuing education in engineering at Urbana-Champaign.

Expansion in Health-related Fields—The IBHE recommended that the University receive an additional \$2.5 million for expansion at the Medical Center and \$368,000 for replacement of federal capitation funds for the College of Veterinary Medicine at the Urbana-Champaign campus. These increases will allow the Medical Center campus to fund an enrollment increase of eighty-three students and will allow the College of Veterinary Medicine to maintain an entering class size of eighty-six students.

TABLE 1
COMPARISON OF UNIVERSITY OF ILLINOIS OPERATING BUDGET REQUEST FOR FY 1978 WITH THE IBHE RECOMMENDATION
(in thousands of dollars)

	<i>U. of I. Request</i>	<i>IBHE Recommendation</i>
I. Continuing components		
A. Salary increases	14,646.1 (8%)*	14,314.1 (7%)*
B. General price increases	2,240.9 (7%)	1,780.1 (5%)**
C. Utility price increases	1,723.1 (12.5%)	1,723.1 (12.5%)
D. Operating funds for new facilities	772.9	522.4
E. Workers' compensation increases	72.0	72.0
Subtotal	(\$19,455.0)	(\$18,411.7)
II. Programmatic components		
A. Extended education		
1. Continuing education	1,989.3	98.0
2. Extended-day	1,887.4	900.0
B. Health professions		
1. Medical Center	3,500.0	2,500.0
2. Veterinary Medicine	412.5	368.0
C. Program development		
1. Bilingual Education Center	75.0	40.0
2. Institute for Environmental Studies	153.3	24.0
3. Institute for Developmental Disabilities	218.8	—0—
4. Agriculture Cooperative Extension	188.4	90.0
5. Library Sharing Program	588.3	450.0
D. Equipment recovery	250.0	—0—
E. Space realignment, remodeling, and replacement	650.0	300.0
Subtotal	(\$9,913.0)	(\$4,770.0)
III. Special service and special funding		
A. DSCC	954.4	350.0
B. Willard Airport	254.8	No recommendation
C. Police Training Institute	258.1	121.1
D. County Board matching	201.1	201.1
Subtotal	(\$1,668.4)	(\$672.2)
E. Refunds	(0)	(96.7)
TOTAL	\$31,036.4	\$23,950.6

* These amounts include an extra 2 percent increment for lower-paid staff personnel.

** This amount includes a 9 percent increase for equipment.

Special Services and Special Funding Components — Additional funds were recommended for the Division of Services for Crippled Children (\$350,000), the Police Training Institute (\$121,000), and County Board matching funds (\$201,100) which match the county budgets for Cooperative Extension programs at a one-to-four ratio. There was no recommendation for the Willard Airport public service operations. The Willard Airport request (\$254,800) will be discussed separately with the staffs of the Bureau of the Budget and the General Assembly Appropriation Committee.

Other Recommendations — Funding was recommended at reduced levels for the following new programs: Center for Bilingual/Bicultural Education (\$40,000), Institute for Environmental Studies (\$24,000), expansion of the Cooperative Extension Service (\$90,000), and the Library Sharing Program (\$450,000). In addition, \$300,000 was recommended for repair and maintenance of buildings for the Urbana-Champaign campus. The IBHE recommended \$25,556,900 for retirement. This amount would meet the annual payout requirements and begin to meet the funding require-

ments of the retirement system. The University requested the minimum statutory requirement of \$37,392,887.

CAPITAL BUDGET

The regular capital budget request of the University of Illinois for FY 1978 was \$56,115,990. After the governor's veto of the FY 1977 capital projects was sustained, the requested amount was reduced to \$46,195,166 as a result of deferral of some projects and redefinition of others. The IBHE recommended \$25,969,347 for new capital projects for the University of Illinois. Table 2 shows the reduced request and the recommendations of the IBHE by campus and by budget category. Table 3 details the projects included in the SR³ category for each campus.

The only new building projects approved by IBHE were the two Veterinary Medicine Research buildings, Willard Airport Crash Rescue Facility, and the Library Sixth Stack Addition, all at Urbana-Champaign. Funds to complete bond-eligible buildings were recommended for the Replacement Hospital and Turner Hall Addition. Equipment funds were also recommended for these two

TABLE 2
DETAILED FY 1978 CAPITAL BUDGET REQUEST AS APPROVED BY BOARD OF TRUSTEES AND IBHE

<i>Category and Project</i>	<i>Approved U. of I. BOT</i>	<i>Approved IBHE</i>	<i>Explanation of revision of FY 1978 request after veto of FY 1977 request</i>
Chicago Circle			
Buildings, additions, and or structures			
Library Addition	\$ 7,562,000	-0-	No change
Subtotal	(\$ 7,562,000)	(-0-)	
Funds to complete bond-eligible buildings			
Library Addition	\$ 41,000	-0-	No change
Subtotal	(\$ 41,000)	(-0-)	
Land	-0-	-0-	
Equipment			
SEL Engineering	\$ 400,000	\$ 400,000	Combined and reduced
Library Addition	240,500	-0-	No change
Subtotal	(\$ 640,500)	(\$ 400,000)	
Utilities			
Library Addition	\$ 162,000	-0-	Escalated
Subtotal	(\$ 162,000)	(-0-)	
Remodeling and rehabilitation			
Space realignment, remodeling, and replacement I	\$ 1,278,620	\$ 1,278,620	Formula amount for FY 1978
Space realignment, remodeling, and replacement II	671,300	615,300	Residual SR ³ projects
Building equipment automation	747,500	447,500	Combined and escalated
SEL engineering	406,000	406,000	Combined and reduced
Roosevelt Road building	600,000	-0-	Combined and reduced
Subtotal	(\$ 3,703,420)	(\$ 2,747,420)	
Site improvements			
Library Addition	\$ 85,300	-0-	No change
Exterior campus graphics	48,300	-0-	Escalated
Campus landscape improvements	165,000	-0-	Escalated
Subtotal	(\$ 298,600)	(-0-)	
Planning	-0-	-0-	
Cooperative improvements			
Pedestrian traffic control — Morgan and Park Place	\$ 56,000	\$ 56,000	Escalated
Bus stop shelters CTA	39,500	-0-	Escalated
Pedestrian traffic control — Polk and Halstead	56,000	-0-	Escalated
Subtotal	(\$ 151,500)	(\$ 56,000)	
<i>Total, Chicago Circle campus</i>	\$12,559,020	\$ 3,203,420	
Medical Center			
Buildings, additions, and/or structures			
-0-			
Funds to complete bond-eligible buildings			
Replacement Hospital	\$ 1,000,000	\$ 1,000,000	No change
Subtotal	(\$ 1,000,000)	(\$ 1,000,000)	
Land	-0-	-0-	
Equipment			
Replacement Hospital	\$ 6,000,000	\$ 6,000,000	Combined
College of Medicine	333,400	333,400	Combined and escalated
School of Public Health	96,800	96,800	Need to match federal funds
Subtotal	(\$ 6,430,200)	(\$ 6,430,200)	
Utilities			
-0-			
Remodeling and rehabilitation			
SUDMP — Project II	\$ 1,118,500	\$ 1,118,500	Project scope redefined, new cost figure
Space realignment, remodeling, and replacement I	1,490,277	1,490,277	Formula amount for FY 1978
Space realignment, remodeling, and replacement II	1,301,319	-0-	Residual SR ³ projects
1919 West Taylor — Phase I	719,250	719,250	Escalated from FY 1977 amount
SUDMP — Project III	1,217,400	-0-	Project scope redefined, new cost figure

<i>Category and Project</i>	<i>Approved U. of I. BOT</i>	<i>Approved IBHE</i>	<i>Explanation of revision of FY 1978 request after veto of FY 1977 request</i>
1919 West Taylor — Phase II	975,000	-0-	Escalated
715 South Wood	1,225,000	-0-	No change
Rockford School of Medicine	241,000	-0-	No change
Subtotal	(\$ 8,287,746)	(\$ 2,328,027)	
Site improvements			
Demolition of General Services Building	\$ 85,000	-0-	No change
Subtotal	(\$ 85,000)	(-0-)	
Planning			
Pharmacy Building air conditioning — ventilate	\$ 1,225,000	\$ 120,000	Changed from remodeling to planning by IBHE
Vacated hospital space	250,000	-0-	No change
Subtotal	(\$ 1,475,000)	(\$ 120,000)	
Cooperative improvements			
Turner Hall Addition	-0-	-0-	
Subtotal	(\$17,277,946)	(\$10,878,227)	
Urbana-Champaign			
Buildings, additions, and/or structures			
Veterinary Medicine Research Buildings (2)	\$ 396,700	\$ 396,700	Escalated
Willard Airport Crash Rescue Facility	60,000	60,000	Reduced
Library Sixth Stack Addition	3,966,300	3,966,300	No change
Subtotal	(\$ 4,423,000)	(\$ 4,423,000)	
Funds to complete bond-eligible buildings			
Turner Hall Addition	\$ 65,100	\$ 65,100	No change
Subtotal	(\$ 65,100)	(\$ 65,100)	
Land			
Medical Science Building	\$ 38,500	\$ 38,500	No change
Life Sciences Teaching Laboratory	110,000	-0-	No change
Subtotal	(\$ 148,500)	(\$ 38,500)	
Equipment			
Turner Hall Addition	\$ 1,110,000	\$ 1,110,000	No change
English Building renovation	25,000	25,000	Escalated
Animal room improvements	65,000	45,000	Project redefined, new cost figure
Space realignment, remodeling, and replacement I	450,000	450,000	No change
College of Engineering remodeling	50,000	50,000	Combined and reduced
Space realignment, remodeling, and replacement II	14,000	14,000	No change
Subtotal	(\$ 1,714,000)	(\$ 1,694,000)	
Utilities			
Central supervisory control	\$ 600,000	\$ 300,000	Combined
Library Sixth Stack Addition	90,900	90,900	No change
Condensate return system	167,400	-0-	Cost escalated
Watermain extension (S.E.)	27,900	-0-	No change
Subtotal	(\$ 886,200)	(\$ 390,900)	
Remodeling and rehabilitation			
English Building renovation	\$ 1,375,000	\$ 1,375,000	Combined and escalated
Animal room improvements	507,000	306,000	Project redefined
Space realignment, remodeling, and replacement I	1,181,500	1,181,500	First third of formula amount for FY 1978
College of Engineering remodeling	902,000	902,000	Combined and reduced
Space realignment, remodeling, and replacement II	1,137,000	1,137,000	Second third of formula amount for FY 1978
Coble Hall improvements	415,000	-0-	Combined and escalated
Space realignment, remodeling, and replacement III	1,585,500	-0-	Last third of formula gener- ated amount
Instructional tennis court improvement	88,000	-0-	Cost reduced, scope changed
Subtotal	(\$ 7,191,000)	(\$ 4,901,500)	
Site improvements			
Pennsylvania Avenue street improvements	\$ 300,000	-0-	No change
Campus landscape improvements	75,000	-0-	No change

Category and Project	Approved U. of I. BOT	Approved IBHE	Explanation of revision of FY 1978 request after veto of FY 1977 request
Intramural athletic field.....	39,400	-0-	No change
Subtotal.....	(\$ 414,400)	(-0-)	
Planning			
Life Sciences Teaching Laboratory.....	\$ 153,100	-0-	No change
Engineering Library Stack Addition.....	98,500	98,500	Escalated (building deferred until FY 1979)
Davenport Hall remodeling.....	100,000	100,000	Escalated
Law Building Addition.....	116,200	116,200	Cost reduced
Auditorium roof replacement.....	660,000	60,000	Changed from remodeling to planning by IBHE
Nuclear Reactor Laboratory Phase II.....	51,300	-0-	No change
Subtotal.....	(\$ 1,179,100)	(\$ 374,700)	
Cooperative improvement			
UC Sanitary District.....	\$ 228,000	-0-	No change
Stadium Drive resurfacing.....	96,400	-0-	No change
Urbana signalization.....	12,500	-0-	No change
Subtotal.....	(\$ 336,900)	-0-	No change
Total, Urbana-Champaign Campus.....	\$16,358,200	\$11,887,700	
TOTAL, UNIVERSITY OF ILLINOIS.....	\$46,195,166	\$25,969,347	

projects along with equipment funds for major ongoing remodeling efforts. Central Supervisory Control Center and Library Sixth Stack Addition Utilities were the only utility projects approved. In keeping with the philosophy of the past few years, the bulk of the IBHE recommendation for new funds is for remodeling and rehabilitation projects, including both major renovation projects and space realignment, remodeling, and replacement projects at each of the three campuses. Planning funds were approved for three remodeling projects: air conditioning and ventilating the Pharmacy Building at Medical Center, renovation of Davenport Hall at Urbana-Champaign, and replacement of the Auditorium roof at Urbana-Champaign; and for two building additions: Law Building Addition and Engineering Library Stack Addition, both at Urbana-Champaign. The only cooperative improvement recommended was for pedestrian traffic control at Morgan and Vernon Park Place at Chicago Circle. No site improvement projects were approved.

Food Production and Research Complex (Food for Century Three) — The original Food for Century Three FY 1978 request of \$32,010,900 was increased to \$32,368,000 as a result of the sustaining of the governor's veto of planning funds for Veterinary Medicine Basic Sciences Building (\$200,500) and Agricultural Engineering Sciences Building (\$156,600). The IBHE recommended \$31,203,100 for FY 1978. The specific projects approved are:

Veterinary Medicine Basic Sciences Building.....	\$21,813,200
Utilities.....	10,000
Agricultural Engineering Sciences Building.....	7,859,200
Utilities.....	56,100
Dairy Farm Consolidation Building.....	298,600
Utilities.....	6,000
Remodeling.....	160,000

Agricultural research land 1,000,000

Those Food for Century Three projects proposed for off-campus sites were not recommended for funding in FY 1978. These include land at Dixon Springs (\$500,000) and in western Illinois (\$600,000) and the Storage Building at Downers Grove (\$64,900). These projects are being deferred until the FY 1979 request.

TABLE 3
SPACE REALIGNMENT REMODELING AND REPLACEMENT
REVISED PROJECT LIST

	Approved BOT 12/76	Approved IBHE 1/77
Chicago Circle		
First group (\$1,278,620)		
Lecture Center roof and drain Phase I.....	\$ 137,360	\$ 137,360
Security Phase II.....	125,820	125,820
Roof repairs Phase I.....	130,860	130,860
Roof repairs Phase II ..	360,200	360,200
Rehab upper walkway Phase I.....	121,050	121,050
OSHA.....	72,890	72,890
Lecture Center 12 KV duct.....	96,110	96,110
Elevator code compliance	63,200	63,200
Window replacement		
RRB.....	58,460	58,460
Lecture Center air intake	68,670	68,670
Floor slab room B-500-SES.....	44,000	44,000
	(\$1,278,620)	(\$1,278,620)
Second group (\$671,300)		
Security Phase III.....	\$ 121,000	\$ 121,000

	<i>Approved BOT 12/76</i>	<i>Approved IBHE 1/77</i>			
Rehab upper walkway			Visual Arts Laboratory	98,000	98,000
Phase II	126,000	126,000	Davenport Hall,		
OSHA Phase II	115,000	115,000	Biophysics	180,000	180,000
Exterior wall repair —			Freer Gym remodeling	200,300	200,300
ECB	68,750	68,750		(\$1,181,500)	(\$1,181,500)
Service Building			Second group (\$1,137,000)		
remodeling	38,700	38,700	Architecture Building		
Lecture Center lighting	57,000	57,000	roof and gutters	\$ 89,900	\$ 89,900
BSB acoustical	22,350	22,350	Environmental Research		
Fire alarm modification	122,500	66,500	Laboratory	80,900	80,900
	(\$ 671,300)	(\$ 615,300)	Natural History Building		
			— heating	173,300	173,300
			Natural History Building		
			— sprinklers	117,400	117,400
			David Kinley Hall,		
			Room 114	150,000	150,000
			Elevator replacement —		
			Lincoln Hall	93,000	93,000
			Library fire protection	111,500	111,500
			Library remodeling	73,000	73,000
			Energy conservation —		
			vent turndown	90,000	90,000
			Stair enclosure	128,000	128,000
			Lincoln Hall remodeling	30,000	30,000
				(\$1,137,000)	(\$1,137,000)
Medical Center			Third group (\$1,585,500)		
First group (\$1,490,277)			Huff Gymnasium roof		
General hospital			and gutters	\$ 92,600	\$ -0-
renovation	\$ 297,890	\$ 297,890	Elevator install —		
Elevator code violations	133,030	133,030	Flagg Hall	220,000	-0-
General code violations	120,600	120,600	Roof replacements	459,900	-0-
Window replacement	84,957	84,957	Temperature control —		
Third floor, hospital	203,700	203,700	remodeling and		
Room 200 Pharmacy	214,000	214,000	replacement	99,000	-0-
Room 346 Pharmacy	272,700	272,700	Energy conservation —		
BRL cage washing			remodel windows	80,000	-0-
Phase I	163,400	163,400	Magnetic door holders —		
	(\$1,490,277)	(\$1,490,277)	Bevier and ASL	36,000	-0-
			Gregory Hall lighting	30,000	-0-
			Huff Gymnasium		
Second group (\$1,301,319)			remodeling	250,000	-0-
Building equipment			Energy conservation —		
automation	\$ 193,450	\$ -0-	animal room vent	90,000	-0-
Window replacement	168,259	-0-	Commerce remodeling	116,000	-0-
General code violations	120,600	-0-	Condensate pump		
Elevator renovation, ISI	190,450	-0-	replacement	45,000	-0-
Administration,			Cooling tower		
Pharmacy	62,900	-0-	remodeling	67,000	-0-
Room 404 Pharmacy	134,300	-0-		(\$1,585,500)	\$ -0-
Instrument shop	306,160	-0-			
2035 West Taylor	125,200	-0-			
	(\$1,301,319)	\$ -0-			
Urbana-Champaign					
First group (\$1,181,500)					
Electrical modernization	\$ 163,500	\$ 163,500			
Krannert Center for the					
Performing Arts	275,000	275,000			
Energy conservation —					
heat control	140,300	140,300			
Gregory Hall, Journalism	32,300	32,300			
Altgeld Hall elevator	92,100	92,100			

Open Enrollment for Medicare Part B (Physician) Ends March 31

UI EMPLOYEES SHOULD ENROLL AT 65 FOR BEST BENEFITS

The 1977 general enrollment period for Medicare Part B (physician) ends March 31. Any employee, annuitant, or retiree 65 years of age or over is eligible to sign up for these benefits and may do so by contacting the nearest Social Security Office by telephone. Coverage will begin July 1 for those who sign up during this general enrollment period.

Although eligible state employees are not required to enroll in Medicare Part B, the state insurance program *will not pay* any benefits which Medicare would have paid, leaving the patient responsible for this portion of the charges.

For further information, contact the insurance office on your campus.

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FACULTY LETTER

FROM THE OFFICE OF THE PRESIDENT · UNIVERSITY OF ILLINOIS

No. 269, April 15, 1977

Report to the People: The State of the University of Illinois

ANNUAL MESSAGE FROM PRESIDENT JOHN E. CORBALLY TO CITIZENS OF ILLINOIS

Each year at this time I come to the people of Illinois to report on the work of their state University. In the past I have singled out an area of education or service which the University performs and have focused on that segment of our activity. This year, however, I offer a more basic report — a Report to the State on “The State of the University of Illinois,” where we stand, and how we hope to progress.

The people of Illinois have an educational treasure in the University of Illinois. The University of Illinois, by any standard, is a great University. Someone recently called it “one of America’s great natural resources.” That is a valid statement.

The University of Illinois, and this can be said in all honesty, is not only a repository — a treasury, if you will, of the store of humankind’s knowledge — it also is a generator of knowledge, a research institution where the perimeters of lore and learning, of truth and technology, are made to move and to expand. It is an institution where the proven truths are revered and where new horizons of science and skill are approached.

The people of Illinois, through their support over a span of 109 years, have made their University great, and for this they are to be commended.

Yet sometimes it seems that these same people — the residents of the state of Illinois — are not fully aware of their treasure. For this reason, let me cite briefly a few of the yardsticks by which the stature of a university is measured.

1. *First*, the quality of its departments and its faculty.

A measure of faculty eminence is the selection of an institution’s scholars for exclusive and prestigious honors. The University of Illinois can boast twenty-six members of the National Academy of Science, twenty members of the American Academy of Arts and Sciences, nineteen members of the National Academy of Engineering, a Pulitzer Prize winner, five recipients of the National Medal of Honor, and the only scientist ever to receive a Nobel Prize twice in the same field.

Academic units also are rated nationally. Deans of engineering were asked to list the five engineering schools

(other than their own) they considered to be the best. The University of Illinois at Urbana-Champaign was second, after MIT and tying with Stanford. The American Council on Education, in a survey of thousands of scholars, ranked our graduate faculty in the top ten of all universities and in the top four among *publicly supported* universities. Eleven departments ranked among the top seven.

2. *Second*, the quality of the student bodies on the campuses.

The average freshman at the University of Illinois earned test scores substantially higher than the national average for college-bound students — a composite score of 23 on the American College Test — which is better than seven out of ten college-bound students. Compared with over 350 institutions participating in the ACT Research Service, the University of Illinois ranks in the upper 7 percent in terms of the average test scores of its entering freshmen. *Six percent of all students in the nation who earned the highest possible ACT math score enrolled as freshmen at the University last fall.*

These highly qualified and motivated freshmen earned more than 6,000 semester hours of college credit last fall in College Board Advanced Placement exams taken during their senior year in high school — *in addition to more than 7,500 credit hours based on the College Level Examination Program and other proficiency examinations.*

The University also attracts a large number of highly qualified transfer students from a variety of institutions, including every public community college in the state.

It is appropriate — and not at all boastful — to note that while other excellent institutions of higher learning are seeking ways to attract more students, the University of Illinois, term after term, is turning away qualified prospective undergraduate and graduate students — bright, capable, young people we wish we could find space and funds to admit.

3. *Third*, the quality of its alumni.

A recent survey reveals that thirty-one of the chief executive officers of America’s major corporations are

graduates of the University of Illinois, a number exceeded only by two other institutions.

Among the graduates of the University are five Nobel Prize winners and 10 Pulitzer Prize recipients. The University ranks third among U.S. universities and first in the Big Ten in the number of its graduates who have gone on to earn the Doctoral degree.

4. *Fourth*, its stature as an institution where *research* thrives and *public service* is a commitment.

In 1909 the nation's first organized Engineering Experiment Station was established here. Research breakthroughs include development of the Betatron, pioneering work in amino acids which made possible the production of 150-bushel-per-acre corn, and many others. We can take pride, as can the people of Illinois, in numerous "firsts," not only in the sciences but also in such diverse areas as early childhood education, music and other fine arts, linguistics, and intercultural studies.

As a land-grant institution, and as the multifaceted comprehensive public University in Illinois, the University of Illinois is asked not only to offer instruction and research, but also to bring these programs to bear on public problems through extension and public service. Within this charge, the University must be more than a teaching and research institution; it must involve itself with people in ways that influence their daily lives for the better.

One of the channels for University service to the people of Illinois is a closer relationship with the branches and agencies of state government. Therefore, we compile a listing of these services by University of Illinois units and faculty for state agencies. The report is titled "Illini Service to the State." Its listings are but *examples* of the many services to the state. They total 395, in 15 areas of interest. A complete listing would occupy many volumes.

We also serve local communities and *their* agencies, and we offer educational opportunities off campus to adults who, for job or family reasons, are not able to attend their state University as full-time residents on the campuses. We do this in many ways—through extramural classes, correspondence courses, conferences and institutes in professional areas, new educational delivery systems such as the UNIVEX-Net (a telephonic network), and even by mighty PLATO, our computerized instruction system.

Although the University of Illinois maintains its major campuses at Urbana-Champaign, Chicago Circle, and the Medical Center in Chicago, it is a presence in every corner in Illinois. Each of you has in your part of the state a University of Illinois office staffed by regional directors who can help find ways to fulfill your educational needs, those of your town, and those of your organization or business.

Our effort to increase the quantity and quality of health services led to the establishment of medical programs at Urbana-Champaign, Rockford, and Peoria.

There are experiment stations and other research

units in many locations, including the famed agricultural facility at Dixon Springs.

I spoke of extramural classes. We have set up a network of centers devised to ensure that no present or prospective teacher, for example, has to drive more than fifty miles to take a sequential course which will enable him or her to work toward an advanced degree from the University of Illinois.

Now let us add to all of these locations at the University of Illinois—campuses, regional headquarters, health education sites, experiment stations, and extramural class centers—the locations of Cooperative Extension Service offices, and you will see that your multi-University is located in each of the 102 counties in Illinois.

Yes, you say, but the Cooperative Extension Service is out there to serve *farmers and their families*. True, but not entirely true. The times have changed and are changing; the University of Illinois is meeting the changing needs. As urban and suburban populations grow, people of all sorts still need to draw upon the expertise of their University. One way we deliver this expertise to their doorsteps is through the Cooperative Extension Service.

Within the boundaries of Chicago alone, *without* inclusion of the entire great metropolitan district, the Cooperative Extension Service has more than 100 full-time employees. What do they do in the city? They carry on programs which help urban residents cope with everyday problems, such as consumerism and nutrition. They offer healthy, wholesome outlets for young people through 4-H work. They assist establishments concerned with agribusiness, and they work with governmental agencies.

Yes, times do change. The University is not an institution which looks only to the past. We look also to the present and to the future.

Presently we are embarked on hundreds of exciting activities; I will cite only three.

Residents of Illinois who come from other cultures benefit by our pioneering work in techniques for the teaching of English as a second language; their communities and the economy also benefit.

With starvation stalking the world, we have launched a mighty research thrust which will involve scores of distinguished faculty members beginning in 1978. We call this project "Food for Century III."

Energy is a primary concern. In our Small Homes Council-Building Research Council at Urbana-Champaign, our Energy Resources Center at Chicago Circle, and in other parts of the University, we originate and consolidate work on alternate sources of energy and provide services which have statewide and national ramifications.

Yes, we are a great University, made so by the stature of our faculty, our academic colleges and departments, our student body, our research eminence, our public service outreach into your communities, and most

of all by the people of Illinois and their support. I want to speak about that support.

As a great University our needs also are great, and our needs are not being met. To the uninitiated, our budget may seem large. As a fact, it is very small when translated into wages, research and teaching equipment, heat and light for classrooms and laboratories, books for libraries, and other fundamentals.

The people of the state of Illinois, so generous to the University for decades past and so richly rewarded for their generosity, now are failing in their support. The appropriations made to the University and approved by our governors have been cut beyond the bare bone and deep into the very marrow. I need not stress what this means to our missions of educating the young and the aspiring adult, pushing back the boundaries of knowledge and technology, and meeting the public service needs of the people of the state.

The support for higher education in Illinois falls far below that of most states by several important measures. A survey of how the states compare in their financing of higher education was made recently by *The Chronicle of Higher Education*. The results show that Illinois ranks forty-fourth in its percent increase in appropriations for higher education from 1974-75 to 1976-77. Our nine percent increase over this period is far below the national average of 24 percent.

A similar analysis over the past ten years shows Illinois ranking thirty-sixth, indicating state support declines drastically compared to the rest of the nation.

Illinois ranks thirty-second on the basis of appropriations per capita. The \$61.10 figure for Illinois is 6.7 percent below the U.S. average of \$64.21.

Finally, Illinois ranks forty-third in appropriations per \$1,000.00 of personal income, at \$9.00. This is 22.8 percent below the national average of \$11.05.

There are heartening signs of renewed support in Illinois. The General Assembly recently restored to the University salary funds reduced by gubernatorial action. This permitted the University to provide salary increases averaging a total of 4.5 percent for the second half of 1976-77 instead of 2.5 percent. We are extremely pleased with this action by the General Assembly, and we are most appreciative of the support which thousands of you gave to our efforts to slow the steady decline in the salary status of our people.

Yet, even with the restoration of these funds, Illinois still falls behind the average in its support of higher education and most particularly in the salaries for our employees. The salary ranking of University of Illinois faculty—in comparison to other Big Ten faculties—has declined at *every level* since the 1975 fiscal year. In the current year, your University is *fifth* in the Big Ten for salary increases given full professors, *sixth* for associate professors, *eighth* for assistant professors, and *ninth* for instructors.

The salary picture is bleak not only for the faculty, but also for the supportive staff—janitors and clerks, lab technicians and accountants—all up and down the

line. The problem is most acute in the lowest-salaried ranks, where the deficiencies range about 20 percent. University nonacademic staff salaries *average 12 percent less* than those of other state employees doing the same jobs and *16.2 percent less* than those of people in similar jobs in local business and industry.

The fact that we remain a strong and vital University is, first of all, a testimony to the dedication of faculty and staff who have struggled to maintain quality on starvation rations. Even so, we are at a crisis point.

Through combinations of increased tax support plus realistic increases in student tuition, other great public universities have slowly and relentlessly equalled and then passed us by. And it is these universities with which we compete for outstanding faculty, for the most gifted graduate students, for research dollars, and for positions of leadership in scholarly organizations.

We are attempting to stretch decreasing resources in an era of constant inflation to meet the unceasing demands on our educational assets, our facilities, and our faculty and its expertise. To meet our most basic needs, we are at the desperation level of "eating our own seed corn."

The University of Illinois Library is a source of honest pride. It is the heart of the University. When ranked with other universities it stands third in the number of volumes, behind only Harvard and Yale. But even our Library is ailing. Last year, in volumes added, Illinois ranked ninth. In total outlay for books and bindings, it slid from fifth to thirteenth, and in total operating expenditures, from ninth to thirteenth.

The "knowledge explosion" which is occurring as science and learning expand in volume and in force brings demands for all kinds of information to meet the needs of students and scholars. The pressure on the Library is greater than at any time in history. It is occurring in almost all fields of subject matter. Add to this the grim fact of our financial problem, and you can picture the situation. A great library can survive a year or two of short rations, but not five years, and never ten. We must find ways to stop the slippage. We must find ways to correct the downward trend.

Another great need is for funds for the support of *research* of young faculty. This is a must if we are to attract and retain the brightest, most eager, and most effective young faculty members. We need these men and women. Those of you with children or grandchildren who in a few years may come to their state University need them too. These young faculty members will be academic leaders in that tomorrow; their scholarship will enrich the education of your children, and their research findings might well assist the economic climate in Illinois and the nation.

People who visit the University of Illinois at its campuses are impressed by the beauty of the buildings and what seems to be a wealth of equipment, but whole departments are on the verge of obsolescence for lack of up-to-date equipment and tools. This is true not only in the technologies but also in social sciences, commerce,

the arts, and other fields. Obsolescence, inflation, and the need to maintain high-caliber instruction and research have added both needs and costs to meet those needs. Imagine any research corporation devoting only 3 percent of the value of its equipment to replacement. That is our condition today!

We are, of course, turning to alumni and other friends of the University with requests for gifts which can help in this crisis. But even the most regal gifts cannot possibly meet all the needs.

There is another source of the necessary funds which other universities have used, but which the University of Illinois has not. That is increased student tuition. No academic administrator — and I less than most — likes to ask for an increase in the cost of an education for the student who receives it.

Nevertheless, it is a fact that those major universities with which we compare have increased their tuitions step by step, year after year, to help meet the increased expense of educating students. This is one factor which has made our competitors able to increase faculty salaries on a much more realistic level than has the University of Illinois.

An increase of \$90 per year for an undergraduate has been approved by our Board of Trustees, effective next fall. It will be coupled with similar increases for in-state graduate and professional students and for all out-of-state students. These seem like increases of some size, but they are not as high as the increases instituted recently at most comparable institutions. Thus, even with the increases we are asking for, an education at the University of Illinois still will not cost the student as much as at most other comprehensive universities. Some element of hardship to the student and his or her family may exist, but it is not as severe as it may appear. If the state of Illinois often has been deficient in its support of higher education, it has not been deficient in its support of student benefits. Illinois has better scholarship opportunities than most other states. In this state, a student from a family with a \$23,000 income still may qualify for scholarship assistance.

What will it take in hard dollars to bring the University of Illinois up to the standard of excellence we must maintain to provide a *fitting capstone* for Illinois's educational structure?

The University of Illinois does not conjure up its proposed annual budgets in any mystical or even whimsical way. We do not submit inflated budget requests. Our requested budget for fiscal 1977-78 is, I can assure you, a realistic one. Any increases it suggests and any proposals for funding of programs were worked into that budget proposal only after a series of expert decisions had been made which were aimed at eliminating all nonessentials. You know that before our budget is approved, it must pass a number of hurdles and often is decreased considerably in the process.

We have proposed a faculty-staff salary increase of 8 percent, but the Illinois Board of Higher Education staff now recommends only 7 percent, and recent esti-

mates in Springfield of the monies which will be available to higher education next year may cut that to 5 percent. Even the 8 percent would not have counteracted the erosion in our employees' buying power which has been caused by inflation and unsatisfactory salary increases, but it certainly is better than the very small percentages we have been forced to accept in the past.

The staff of the Board of Higher Education has recommended an increase of nearly \$24 million for the University of Illinois's operation in the next fiscal year. After careful appraisal, we had ascertained that an increase of \$31 million was required. Much less will be included in the recommendations of the governor, so we will continue to face financial pressures and problems.

In no way do I want to close this report on the University of Illinois on a negative note. Instead I go back to what I told you in the beginning. There are problems, and we admit them. Most of them stem from shortages in state appropriations. You can help, if you will, by reflecting your support and your concern for the University of Illinois when you talk or write to your local legislator.

I have dwelt at some length on the University's financial needs. This emphasis on needs is prompted by several factors, only one of which is our current climate of crisis. More importantly, I believe that you people have a *right to know* where the University of Illinois stands as of this March 1977. You are not only its stockholders, you are its family.

The University of Illinois is rightly known for its excellence. I think you also want it known for its eminence. This is a University whose climate of learning, research, and public service has brought forth scores of educational and scientific "firsts." It is the University where the modern photoelectric cell was developed and where the sound-on-film motion picture was invented. It houses the world's first comprehensive college program for the severely disabled. It is the headquarters for the world's largest educational film lending library. The list is long.

Even at this moment, as I make this report, in dozens of laboratories, library cubicles, quiet offices and busy classrooms, the search goes on. It is a never-ending search . . . the search for the hidden fact . . . the potential . . . the possible . . . the pioneering . . . the new truth and the beginning of a hairline crack in the seemingly impenetrable barrier of humankind's vast ignorance. There is so much to know, and we know so little.

It is because of this excellence and excitement, this promise of eminence, that I have reported today to you, the people of Illinois, on the state of the University of Illinois.

It is your support which has made this University great.

For this you are to be commended.

The president's annual message was released March 20 and was carried by twenty-nine television stations in Illinois, Indiana, and Missouri and by sixty-one radio stations, including nineteen in Illinois and forty-two elsewhere in the nation.

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FACULTY LETTER

FROM THE OFFICE OF THE PRESIDENT · UNIVERSITY OF ILLINOIS

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No. 270, May 16, 1977

Note to the Faculty on Tuition Policy Memo Which Follows

REMARKS BY PRESIDENT JOHN E. CORBALLY ON MEMORANDUM SENT TO TRUSTEES

The subjects of tuition levels and of tuition policies continue to be among the dominant themes in university administrative discussions. Not only are these subjects basic to discussions of state and federal student financial aid policies and programs, but they also represent one of the difficult points of friction between the public and private sectors of higher education. Obviously, the subjects are also key elements of discussions related to the financing of all of higher education.

The Board of Trustees and the administration of the University of Illinois, along with faculty and student groups, have discussed tuition issues each year during my tenure here — usually in connection with a specific annual budget request. In February 1977, members of the Board asked that a “long-range tuition policy” be con-

sidered — a framework within which annual tuition decisions could be made with a minimum *de novo* discussion of tuition policies. Prior to the April 1977 meeting of the Board, I was asked to develop a sample long-range tuition policy in order that Board members might consider how such a policy might read.

The following *sample* policy is just that — a sample. It is not a recommendation, and the sample contains some obvious deficiencies — for example, the sample policy, if observed faithfully, would diminish tuition income if tax support declined, a result not to be desired. Because of faculty and staff interest in the tuition issue, I did feel it appropriate to share this sample with you. Comments or suggestions concerning this or alternative samples would be most welcome.

Sample Long-Range Tuition Policy for University of Illinois

PRESENTED TO GENERAL POLICY COMMITTEE, BOARD OF TRUSTEES, APRIL 18, 1977

The levels of tuition charged students in public institutions of higher education are established by action of the governing boards of those institutions. Because of the current and past appropriations processes in Illinois, however, the ability to spend income generated by tuition collections is subject both to legislative and to gubernatorial approval. The complexities and the timing of appropriations processes — including the appropriation to the institutions of funds collected from the assessment of tuition — have worked against the development of and conformance to long-range tuition policies by governing boards. Instead, tuition levels have been established on the basis of political realities with little consistent regard to an appropriate relationship between taxpayer support and student support of the costs of

public higher education. Discussion of tuition levels has generally centered about such topics as the desirability of low tuition levels for students in public universities, the concern that tuition charges not limit access to higher education by students from lower-income levels, and the creation of theories of the presumed proper relationship between taxpayer support and student support of costs. Because the theories are based on opinion rather than fact and because there are no fixed and widely accepted definitions of such terms as “low tuition,” “low income,” and “access,” neither the political realities nor the discussions have led to the creation of anything even approaching a tuition policy for public higher education in Illinois.

Instead, the history in Illinois is that tuition levels in

public higher education tend to plateau for a few years and then are increased sharply when fiscal pressures are intense enough to make such increases politically feasible. Following such an increase is another plateau period until once again pressures generate feasibility which leads to another increase. Because of the inability to predict when "pressures" will build up sufficiently to lead to tuition increases, neither the universities nor the students can make reasonable predictions of tuition income and of tuition levels and both institutional and personal planning in this area of concern are impossible. It is equally difficult for financial aid officers and for the Illinois State Scholarship Commission to predict the need for financial aid funds in advance because of the inability to predict tuition levels—a primary determinant of financial aid requirements.

In an effort to bring some degree of predictability to the area of tuition levels, the administration and Board of Trustees of the University of Illinois have considered the development of long-range tuition policy for the University. This consideration has been made with the full understanding that under current processes in Illinois, acting within a long-range tuition policy requires not only the support of the Board of Trustees, but of the General Assembly and of the governor as well. It is also fully understood that any long-range policy requires periodic review, evaluation, and perhaps revision by the policy-making body.

Within those understandings, the Board of Trustees has reviewed historical trends in tuition levels at the University and in comparable universities; comparative data concerning current tuition levels at comparable universities; proposals for long-range tuition policies put forth by the Illinois Board of Higher Education, the Carnegie Commission on Higher Education, the Committee for Economic Development, and others; the relationships between tuition, required fees, and student financial aid; and historical and current data related to instructional costs and tuition levels. The Board has also reviewed projections of inflation rates and of tax support for public higher education in Illinois in future years.

Many bodies including the Illinois Board of Higher Education have recommended that undergraduate tuition rates approximate one-third of instructional cost. In fiscal year (FY) 1973 (academic year 1972-73)—the last year in which tuition levels were increased at the University of Illinois—undergraduate tuition came close to meeting this recommendation in that tuition equalled 31.1 percent of instructional costs. Without attributing any "magic" or "scientific proof" to support the "one-third concept," the Board of Trustees does find the concept to offer guidance and to bear a close relationship to the situation which existed in FY 1973 when tuition was last increased at the University. At that time, tuition was considered to be "low" and to bear an appropriate relationship to instructional costs. Since that time, in-

structional costs have increased as a result both of inflation and of increased tax support of higher education and, it can be argued, the definition of "low" has been changed through the impact of inflation.

Also since that time the Board of Trustees has approved a tuition action which will in the fall of 1977 provide a "differential tuition level" for graduate students. The average costs of graduate instruction are higher than the average costs of undergraduate instruction, and many argue that a "cost-based tuition policy" should reflect that fact. The Illinois Board of Higher Education has recommended that tuition levels for graduate students be one-third higher than those for undergraduate students. This recommendation has little or no statistical underpinning, but is simply a way to recognize differential costs rather than a method of accounting for those differential costs.

In the light of the above discussion and in an effort to provide guidance to University and state planning agencies and to provide some certainty to present and future students about tuition levels, it is recommended that the Board of Trustees adopt the following long-range tuition policy:

1. In general, tuition levels for undergraduate students at the University of Illinois should approximate one-third of undergraduate costs; tuition levels for graduate students should approximate one and one-third the level of undergraduate students; tuition levels for professional programs should increase proportionately to tuition levels for graduate students; and tuition levels for nonresident students at any level should be three times the level for resident students.
2. Tuition levels should increase annually to reflect increases in instructional costs caused by increased tax support and/or inflation; tuition levels should decrease annually to reflect decreases in instructional costs caused by decreased tax support and/or deflation.
3. Annual tuition increases or decreases as required by (2) above should be calculated on the basis of the latest available data and included as a part of the annual budget request of the University of Illinois.
4. Information concerning annual tuition increases or decreases should be provided by the University to appropriate state and federal agencies responsible for student financial aid programs at the time that the annual budget request for the University is approved.
5. While moving from present levels of tuition to levels which meet the requirements of (1) above, no annual tuition increase for resident undergraduate students shall be in excess of 10 percent of the then current tuition for resident undergraduate students nor shall increases for resident graduate students be in excess of 133.3 percent of the increase for resident undergraduate students.

University Policy on Recombinant DNA Research

RESOLUTION ADOPTED BY BOARD OF TRUSTEES MEETING APRIL 20, 1977

In the light of the controversies and hazards attendant to recombinant DNA research (sometimes referred to as a forerunner of genetic engineering),¹ the University's graduate faculties are taking steps to ensure that appropriate safeguards are observed whenever such research is undertaken.

On March 31, 1977, the University Council on Graduate Education and Research recommended to the president adoption of the following resolution:

The University of Illinois has adopted the NIH (National Institutes of Health) "Guidelines for Research

¹ The technique seeks to study the working of heredity by taking genes — composed of DNA, or deoxyribonucleic acid — from the cells of complex organisms and inserting them into simple bacteria, where their functioning can be studied in a less complicated environment.

Involving Recombinant DNA Activities" as University policy for all proposed recombinant DNA research whether externally or internally funded.

With the support of the vice-president for academic affairs, I recommend that the Board of Trustees adopt this resolution as University policy, with the understanding that steps are under way on each campus to develop and to approve implementing and monitoring procedures which will ensure strict compliance with the NIH Guidelines. The Graduate College at Urbana has developed compliance procedures which will be published in the immediate future. Similar action soon will be taken at the Medical Center and Chicago Circle campuses.

Amendment to Statutes on Employment and Promotion Criteria

APPROVED BY UNIVERSITY OF ILLINOIS BOARD OF TRUSTEES AT APRIL MEETING

In January the Board approved provisionally the amendment of Article IX, Sec. 1, of the *University of Illinois Statutes*, as indicated in the attachment, in order to comply with Sec. 402 of the Vietnam Era Veterans Readjustment Assistance Act of 1974 and Sec. 503 of the Rehabilitation Act of 1973.

The Senates and the University Senates Conference have now concurred in the proposed amendment.

Therefore, I recommend that the Board of Trustees finally approve the proposed amendment of the *Statutes*.

University of Illinois Statutes Article IX. Academic and Administrative Staffs

Sec. 1. CRITERIA FOR EMPLOYMENT AND PROMOTION

The basic criteria for employment and promotion of all University Staff, whether or not subject to the act creating the University Civil Service System of Illinois, shall be appropriate qualifications for and performance of the specified duties. The principles of equal employment opportunity are a part of the general policy of the University. Unless otherwise provided by law, employees are to be selected and treated during employment without regard to political affiliation, relationship by blood or marriage, age, sex, race, creed, [or] national origin, *handicap, or status as a disabled veteran or veteran of the Vietnam era.*¹

¹ New language is italicized; deletions are in brackets.





FACULTY LETTER

FROM THE OFFICE OF THE PRESIDENT · UNIVERSITY OF ILLINOIS

No. 271, August 24, 1977

Report to Board on Actions of Illinois General Assembly

PRESENTED BY PRESIDENT JOHN E. CORBALLY AT JULY 20 MEETING, CHICAGO CIRCLE

Each of you has read and heard reports of the actions affecting higher education and the University of Illinois taken by the Illinois general assembly during its recent session. My purpose today is not to repeat the details of each of those actions, but rather to highlight a few significant events and to comment briefly upon the general tone of the session and of our relationships with the general assembly and with other agencies of state government.

In round numbers, appropriations in support of all those activities included in the category, higher education, for FY 1978 are \$60 million above appropriations for FY 1977. This \$60 million includes approximately \$50 million in general revenue funds and approximately \$10 million in income funds, the latter increase reflecting increases in tuition levels at senior universities. It should be remembered that appropriations for FY 1977 following the restoration by the general assembly of funds reduced by then Governor Walker included sufficient funds to support an additional 2 percent salary increase (beyond the 2.5 percent approved by Governor Walker) for the entire contract year, but that the restoration of funds was done by the general assembly based upon an understanding that that additional increase would not be effective until January, 1977. The base used by the general assembly and by Governor Thompson for FY 1977 was, however, the appropriations base rather than the expenditure base so that the annualization of the cost of the additional 2 percent salary increase was in the base rather than considered to be "new money" for FY 1978. This technical detail results in the ability to use all new 1978 funds for new purposes and the support of this method of calculating the base by the general assembly, by the Bureau of the Budget, and by Governor Thompson was another indication of the understanding which higher education received in this session.

For the University of Illinois, appropriations for FY 1978 are \$22 million above appropriations for FY 1977 including retirement system funding and including \$4 million new income due to the tuition increase. With retirement (\$5.5 million), income fund (\$4 million), and Agricultural Premium Fund (\$0.4 million) increases excluded, the University received an increase of about \$12

million in General Revenue Fund (GRF) support or a 5.25 percent increase in GRF support for FY 1978 over FY 1977. Without dwelling upon the point, the income fund increase of \$4 million is a significant amount when compared with the GRF increase of \$12 million (exclusive of retirement funding) and does have a real rather than a token impact upon our ability to meet our needs. In terms of the one-third ratio of tuition support to tax support recommended by the Illinois Board of Higher Education, FY 1978 is the first year for some time that resource increases for the University meet that recommendation.

In summary, Governor Thompson stated early in his term that without new sources of revenue he could support no more than an increase of \$50 million in appropriations to higher education for FY 1978 and he would support tuition increases if governing boards found such increases to be essential. In his action in signing appropriations to higher education, he was faithful to that statement. The general assembly sent the governor appropriations representing increased general revenue spending in the amount of \$64 million; these measures were reduced by Governor Thompson to the \$50 million level in accordance with the allocation of \$50 million suggested by (but not supported by) the Illinois Board of Higher Education. Major reductions included funds to increase a 5 percent average salary increase to 5.5 percent, to provide for estimated utility cost increases of 12.5 percent rather than 10 percent, and to provide for State Universities Retirement System (SURS) funding at the gross payout level rather than at the net payout level.

The State Universities Retirement System situation is worthy of special comment. Through actions of this Board of Trustees and of the Illinois Board of Higher Education special priority attention was focussed upon SURS funding problems. A legislative strategy was adopted with the full support of the administration of the university systems which forced the general assembly to pay particular attention to the funding of SURS rather than having that problem "buried" in each university system appropriation bill. Two legislators from the Urbana-Champaign area — Senator Weaver and Representative Wikoff — worked with other legislators to in-

sist that obligations to SURS be considered separately and not merely in catch-all amendments to university appropriations bills. The result was that for the first time in many years, the general assembly appropriated funds to SURS at the gross rather than at the net payout level. While Governor Thompson reduced this appropriation to the net payout level, the fact that he was dealing with retirement system appropriations in a separate bill led to his public recognition of the problem of our retirement system and to his inclusion of retirement system funding among the six high priority concerns to which he has asked the Illinois Board of Higher Education to address itself and to which he has committed himself and his staff to address themselves. This set of actions represents a major step forward toward the achievement of a plan for solving a basic problem in Illinois higher education.

I should also mention the atmosphere which we encountered in our hearings before the committees of the general assembly. We were asked probing questions about faculty workloads, about research activities, about faculty and staff travel, about admissions procedures, about efforts in remedial education, about efforts toward achieving equal educational and employment opportunities for members of minority groups and for women, and about other activities. These questions were asked with an attitude of seeking information and understanding and I felt that the members of the legislative committees were truly trying to clarify misunderstandings and to seek information which would assist them in explaining our needs and our practices to constituents. Not once during many hours of hearings did I detect hostility toward the University of Illinois nor toward our people and our programs.

This same type of relationship exists with legislative and executive agencies. We have this year engaged in efforts with the Legislative Audit Commission and the auditor general to attempt to insure that we could maintain necessary flexibility while at the same time insure that the commission and the auditor general can meet the statutory requirements of their assignments and we the statutory requirements of ours. These efforts have been conducted in an atmosphere of cooperation and of mutual understanding and have led to the preservation of the flexibility necessary if a great university is to remain great. Similar efforts with the Economic and Fiscal Commission of the general assembly, with the Bureau of

the Budget, with the Capital Development Board, and with the Office of the Governor have produced similar results — mutual understanding and mutual agreement that procedural straitjackets are not necessary to achieve accountability and to protect stewardship. In many ways, these mutual efforts which have led to the absence of new statutes or of new regulations are among the most positive results of the past year.

On the capital side, actions and results have also been so widely publicized as to need little repetition here today. It is worth noting, however, that \$6 million to equip the Replacement Hospital has been appropriated as has \$1 million to equip Turner Hall. The debate over Food for Century III — a debate which had little to do with the merits of that program — is well-known to you, but it should be noted that this successful effort was led by Senator Weaver with help from many legislators. Significant support also came from alumni, from staff members, from farm organizations, from Governor Thompson, from the Capital Development Board, from the Department of Agriculture, and from many others.

All in all, it was a successful session. Many pieces of legislation which would have had negative impact upon the University were not enacted. While it is clear that the salary needs of our people have still not been met and while efforts to meet those needs must continue unabated, we did receive funds to support an average salary increase of 5 percent without requirements which are becoming common in other states that we reduce numbers of faculty members as the price for salary increases. Our lower-paid employees in the open-range category will receive increases averaging 7 percent. A much-needed increase in tuition was supported, and the board's role in establishing tuition levels seems to me to have been enhanced.

Major gains in correcting some of our deficiencies still await a major change in the revenue picture in Illinois. Given the unwillingness of either the governor or the general assembly to increase revenues now through new or increased taxes — an unwillingness undoubtedly shared by those who elect governors and legislators — higher education has fared well within available revenue, and the legislative and executive attitude toward higher education seems to me to be reaching better levels each year in Illinois.

Peter Yankwich Named Vice-President for Academic Affairs

APPOINTMENT APPROVED BY UI BOARD OF TRUSTEES AT JULY 20 MEETING

Peter E. Yankwich has been named vice-president for academic affairs at the University of Illinois effective September 1.

Yankwich, a member of the chemistry faculty at Urbana-Champaign since 1948, succeeds Eldon L. Johnson, who is retiring after nine years as vice-president.

Yankwich moved to UIUC from the University of California at Berkeley, where he received his undergrad-

uate and graduate degrees and was a member of the faculty.

At UIUC he has taught a wide range of classes from introductory chemistry to advanced graduate courses. His own research is in the field of chemical reaction rates.

Since 1975, Yankwich has been special faculty assistant to Johnson and has directed a study evaluating academic administration.

Amendments to Articles of University of Illinois Statutes

APPROVED BY UI BOARD OF TRUSTEES AT MAY 18 AND JULY 20 MEETINGS

At the May 18 and July 20 meetings of the Board of Trustees, nineteen new amendments to the *University of Illinois Statutes* were approved to take effect immediately.

The amendments deal largely with issues of departmental and college governance. Their effect is to broaden faculty participation in these matters.

The amended statutes are more specific and explicit. They were proposed by the senates of the three campuses and coordinated by the University Senates Conference.

The statutes now emphasize that only tenure-track faculty members are guaranteed the right to vote in departmental or college matters, although units still have the option of granting this right to nontenure-track personnel at the level of instructor or above.

This clarification was made in several articles.

The membership of the Faculty Advisory Committee and its functions are set out in one of the amended articles. One significant change is that any faculty member

holding an administrative appointment is ineligible for membership on the committee.

The faculty's role in evaluating administrators is set forth in several of the articles. Specifically, the amendments provide that deans, directors, chairpersons, and department heads be evaluated at least once every five years and that faculty views be solicited during this process.

The amended articles more clearly define the faculty role in questions of appointment, reappointment, nonre-appointment, and promotion. The faculty has input into these matters through the advisory committee in departments with a head and the executive committee in colleges and in departments with a chairperson. The articles also clarify the role and composition of the advisory committee and executive committee.

Factors such as committee work, continuing education, public service, and special assignments are given additional emphasis in the evaluation of a faculty member's performance for salary and promotion purposes.

Statement on Nondiscrimination at the University of Illinois

HANDICAPPED PERSONS GUARANTEED EQUAL TREATMENT UNDER REHABILITATION ACT

The University of Illinois policy is to fully comply with applicable Federal and State Nondiscrimination and Equal Opportunity Laws, Orders, and Regulations. As a recipient of Federal financial assistance, the University of Illinois is subject to Section 504 of the Rehabilitation Act of 1973, which states that "no otherwise qualified handicapped individual . . . shall, solely by reason of his handicap, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance." The Department of Health, Education and Welfare has adopted regulations defining and forbidding acts of discrimination against qualified handicapped persons in employment and in the operation of programs and activities. A handicapped person has been defined as any person who (a) has a physical or mental impairment which substantially limits one or more major life activities, (b) has a record of such an impairment, or (c) is regarded as having such an impairment. The University of Illinois does not and will not discriminate against handicapped persons in violation of the Rehabilitation Act of 1973 or the HEW regulations. This nondiscrimination policy applies to admissions or access to, treatment, and employment in the University programs and activities.

Vice-President Ronald W. Brady has been designated as the University Equal Opportunity Officer for the University of Illinois. For additional information on the equal opportunity and affirmative action policies of the University, please contact:

For the General University, Dean Barringer, 409 East Chalmers St., Room 306, Champaign, IL 61820 (217/333-2993).

For the Urbana-Champaign campus, academic personnel, Michele Thompson, Office of Vice-Chancellor for Academic Affairs, 209 Coble Hall, Champaign, IL 61820 (217/333-0574); and for nonacademic personnel, James Ransom, Jr., Chancellor's Nonacademic Affirmative Action Office, 52 East Gregory, Room 136, Champaign, IL 61820 (217/333-2147).

For the Chicago Circle campus, Nan McGehee, Office of the Chancellor, 2807 University Hall, P.O. Box 4348, Chicago, IL 60680 (312/996-4878).

For the Medical Center campus, Carol Cottrell-Mootry, Office of the Chancellor, 414 Administrative Office Building, 1737 West Polk St., P.O. Box 6998, Chicago, IL 60680 (312/996-8670).

University of Illinois Affirmative Action Plan

SUPPLEMENT ON RIGHTS OF DISABLED VETERANS, VIETNAM VETERANS, AND HANDICAPPED

The statement below is a supplement to the Affirmative Action Plan for the University of Illinois published in *Faculty Letter* No. 222, October 6, 1971. This supplement is the Affirmative Action Plan for Disabled Veterans, Veterans of the Vietnam Era, and Handicapped Individuals. The supplement was sent to the United States Department of Health, Education and Welfare on July 29, 1977.

UNIVERSITY OF ILLINOIS AFFIRMATIVE ACTION PLAN

The following is the University of Illinois Affirmative Action Plan stating policies, practices, and procedures to employ and to advance in employment disabled veterans, veterans of the Vietnam era, and the handicapped.

This plan, developed to carry out the intent of Section 402 of the Vietnam Era Veterans Readjustment Assistance Act of 1974 and Sections 503 and 504 of the Rehabilitation Act of 1973, is available for inspection by employees and applicants for employment at each of the following locations Monday through Friday during the regular working hours of the University:

General University: 306 Illini Tower (Urbana)
Chicago Circle: 2801 University Hall
Medical Center: 414 Administrative Office Building
Urbana-Champaign: 209 Coble Hall; 52 East Gregory

This plan is reviewed annually and updated as necessary to reflect changes in employment conditions and governmental regulations. Each campus has also developed an affirmative action program featuring procedures to implement the intent of Section 402 and Section 503.

For purposes of this affirmative action plan, a handicapped individual shall be defined as "... any person who (1) has a physical or mental impairment which substantially limits one or more of such person's major life activities, (2) has a record of such impairment, or (3) is regarded as having such an impairment... a handicapped individual is substantially limited if he or she is likely to experience difficulty in securing, retaining, or advancing in employment because of a handicap."¹

"Disabled veteran" is defined as "... a person entitled to disability compensation under laws administered by the Veterans Administration for disability rated at 30 per centum or more, or a person whose discharge or release from active duty was for a disability incurred or aggravated in the line of duty."²

"Veteran of the Vietnam era" is defined as "... a person (1) who (i) served on active duty for a period of more than 180 days, any part of which occurred between August 5, 1964 and May 7, 1975, and was discharged or released therefrom with other than a dishonorable discharge, or (ii) was discharged or released from active duty for a service-connected disability if any part of such active duty was performed between August

5, 1964 and May 7, 1975, and (2) who was so discharged or released within 48 months preceding the alleged violation of the (Vietnam Era Veterans Readjustment Assistance) Act (of 1974), the affirmative action clause, and/or the regulations issued pursuant to the Act."²

1. STATEMENT OF PHILOSOPHY

The University of Illinois, as an institution of higher education, recognizes its responsibilities to facilitate full participation in the educational and employment processes of all qualified individuals who seek to partake of the institution's resources and opportunities. Committed to the goal of equal opportunity, the University of Illinois recognizes the need to formulate procedures to insure that no qualified individual will be denied participation in the University because of artificial and discriminatory barriers.^{1, 2, 3} It is the University's commitment to take affirmative action to employ and advance in employment qualified disabled veterans, veterans of the Vietnam era, and handicapped individuals. It is the stated policy of the University of Illinois that appropriate qualifications for and performance of specific duties are the basic criteria in all aspects of the employment process, including hiring, retention, training, transfer, promotion, and upgrading.

The University of Illinois reaffirms its commitment to three basic goals:

- a. The continuing analysis of current practices and policies and the adoption of new or revised practices and policies when necessary to insure the establishment of effective and specific objectives and procedures for equalizing opportunities in each employment unit.
- b. The identification and elimination of all employment practices whose relationship to job performance has not been clearly established and which have adverse impact on disabled veterans, veterans of the Vietnam era, and the handicapped.
- c. The wide recruitment of the above groups of potential employees to insure that persons with appropriate qualifications and potential are afforded equal opportunity for employment, training, promotion, and compensation.

The University of Illinois realizes that in order to foster these goals, it is essential to enlist the active and genuine participation of current University employees, as well as to encourage the voluntary self-identification of these individuals wishing to benefit from these programs.^{1, 2}

2. RESPONSIBILITIES FOR ADMINISTERING AFFIRMATIVE ACTION PLAN

The president of the University of Illinois is responsible for the development and implementation of the

equal opportunity policy and affirmative action plan. Specific authority and responsibility are delegated by the president as follows:

- a. The vice-president for administration has responsibility for overall coordination for the president and serves as liaison between the University and state and federal agencies concerned with equal opportunity — with special reference to insuring that all University procedures are in accord with governmental regulations.

In carrying out this assignment, the vice-president for administration serves as chairman of the University Council on Equal Opportunity, whose major functions are:

- (1) To advise the president on all University-wide matters pertaining to equal opportunity.
 - (2) To review affirmative action plans to make certain that they insure equal opportunity in all phases of University affairs.
 - (3) To stimulate, facilitate, and coordinate planning and implementation of affirmative action programs at the general University and campus levels.
- b. A University equal opportunity officer is appointed by the president. The vice-president for administration, who is the University equal opportunity officer, is authorized to structure and coordinate the affirmative action plan, to monitor its implementation, and to assess its accomplishments at the general University level.

In order to review and evaluate the campus-level programs implementing University policy, the University equal opportunity officer or designee periodically will convene the University Council on Equal Opportunity and other appropriate representatives from the campus.

- c. Basic responsibility for equal opportunity and affirmative action rests with the chancellor at each campus. The chancellor appoints one or more senior administrative officers to coordinate affirmative action programs at the campus level. In devising the specific programs that will implement University policy, and in defining and meeting each campus' affirmative action objectives, each campus coordinator may be advised and assisted by a committee (consisting, for example, of the officers responsible for campus policies and procedures in the areas of academic, nonacademic, construction, and student employment, and including other appropriate representatives as campus needs dictate).
- d. Primary operational responsibility for accomplishing the University objectives in the three-campus system in regard to hiring and to promoting disabled veterans, veterans of the Vietnam era, and handicapped individuals, rests with those campus administrators in charge of academic, nonacademic, construction, and student employment, and the heads of the units re-

porting to them. Not only are they responsible for performing all of their activities in a manner consistent with the institution's equal opportunity policy, but they must include in their policies and procedures the implementation of affirmative action and compliance programs developed at the campus level.

3. INTERNAL AND EXTERNAL DISSEMINATION OF POLICY: FORMAL AND INFORMAL

- a. Through University policy and procedure manuals and campus publications this institution's policy of, commitment to, and procedures for equal opportunity will be promulgated among campus and community members and agencies within the recruiting area.
- b. Administrators with hiring responsibilities will be informed that federal legislation requires that they take affirmative action to employ and to advance in employment qualified disabled veterans, veterans of the Vietnam era, and handicapped individuals. Such administrators also will be informed that evaluation of their work performance will take into account the manner in which they carry out their affirmative action responsibilities.^{1, 2}
- c. The designated general University and campus administrative officers shall be responsible for communicating the University's equal opportunity commitment to local, state, and national organizations serving the needs of disabled veterans, veterans of the Vietnam era, and the handicapped. The veterans employment representative of the Illinois State Employment Service, the Veterans Administration Regional Office, the Office of the National Alliance of Businessmen, and campus veterans counselor/coordinators, the service officers of the several national veterans organizations and local service centers, and the several organizations which serve disabled veterans and veterans of the Vietnam era will be called upon as needed to assist the University in recruitment efforts. State vocational rehabilitation agencies, sheltered workshops, state educational agencies, labor organizations, organizations of and for the handicapped, and educational institutions which participate in training of the handicapped will be utilized where necessary to aid in recruitment.
- d. The responsible University officials will advise all contractors, subcontractors, vendors, and suppliers of their responsibilities under Section 402 of the Vietnam Era Veterans Readjustment Assistance Act of 1974 and under Section 503 of the Rehabilitation Act of 1973 and will reference both acts in all covered contracts, purchase orders, and leases. Nondiscrimination clauses will be included in all contracts and subcontracts, and posters in support of affirmative action will be displayed.
- e. The responsible Personnel Services Office staff will inform union officials of the University's affirmative action policy and their full cooperation will be requested in the recruitment, employment, and training

of disabled veterans, veterans of the Vietnam era, and handicapped individuals. Contractual provisions of union contracts will be reviewed to insure that they are nondiscriminatory. Nondiscrimination clauses will be included in all union contracts.^{1, 2}

- f. The University will seek the cooperation of the University Civil Service System of Illinois in removing barriers to the employment of disabled veterans, veterans of the Vietnam era, and handicapped individuals. The University shall continually review all physical and mental job qualification requirements to determine if they tend to screen out disabled veterans, veterans of the Vietnam era, and handicapped persons. When such a tendency is identified, these job qualifications will be further reviewed to determine their job-relatedness and their consistency with business necessity and the safe performance of jobs. The University will continually review its personnel practices and procedures to assure that they result in careful, thorough, and systematic consideration of the job qualifications of persons known to be disabled veterans, veterans of the Vietnam era, and handicapped persons. Should new procedures be required, they will be adopted.
- g. Reasonable physical accommodation for disabled veterans, veterans of the Vietnam era, and handicapped persons will be determined through consultation with line management, representatives from the covered groups, and consultant groups, and then will be made with consideration of business necessity and financial costs and expenses.^{1, 2, 3}

4. IDENTIFICATION OF INDIVIDUALS COVERED

Persons identifying themselves for coverage under this affirmative action plan will be asked (a) to describe any special methods, skills, and procedures which qualify them for positions that they might presumably be unable to fill because of their disablement or handicap so that they will be considered for all such positions, and (b) to alert the University regarding accommodations which might be made to enable them to perform their jobs properly and safely, including special equipment, changes in the physical layout of the job, and elimination of certain duties related to the job.

The University may request medical documentation or may require an applicant or employee to undergo a comprehensive medical examination at the University's expense. The University will make every effort to assist persons identified as handicapped to reach their full employment potential.

Self-identification shall be voluntary and refusal to provide it will not subject a person to discharge, disciplinary action, or other adverse treatment. Information obtained concerning individuals shall be kept confidential except that (a) supervisors may be informed regarding restrictions on the work or duties of disabled or handicapped individuals, (b) first aid and safety personnel may be informed, when and to the extent appropriate, if

the condition might require emergency treatment, and (c) government officials investigating compliance with the act shall be informed.

- a. Persons wishing to be considered for protected class employment as handicapped persons will be asked to identify themselves based on the following categories under which they qualify:

1. Orthopedic
2. Visual
3. Speech
4. Hearing
5. Cerebral Palsy
6. Epilepsy
7. Muscular Dystrophy
8. Multiple Sclerosis
9. Cancer
10. Heart Disease
11. Diabetes
12. Mental Retardation
13. Emotional Illness
14. Drug Addiction
15. Alcoholism
16. Other (specify) _____

- b. In order to assure proper support of affirmative action objectives, the general University and each campus shall analyze employment records and the profiles of self-identified persons in order to ascertain:

- the representation by unit of disabled veterans, veterans of the Vietnam era, and handicapped persons.
- the nature of the applicant flow.
- salary and rank differential, if any, between persons covered by Sections 402, 503, and 504 and other employees.
- the composition of committees and other mechanisms for selection and promotion of staff.

Problem areas identified by such analysis will be reported to the president and to the chancellor at each campus. Appropriate action will be taken on each campus and at the general University level to remedy such problems within the University's ability to respond.

5. EMPLOYMENT OBJECTIVES AND MANPOWER (LABOR FORCE) REQUIREMENTS

The University will utilize attrition to the maximum extent feasible to upgrade and extend the participation of disabled veterans, veterans of the Vietnam era, and handicapped persons among the academic and non-academic work forces.

Every vacant or new academic and nonacademic position will be subject to affirmative action procedures and full consideration will be given to all qualified applicants.

6. MONITORING AND REPORTING SYSTEM

Monitoring and reporting procedures to measure the effectiveness of general University and campus affirmative action programs will be used to provide an evalua-

tive tool in assessing the strengths and weaknesses of campus recruitment and selection activities.

The University equal opportunity officer, with the advice of the campus review committees described in "Responsibilities for Administering Affirmative Action Plan," coordinates the reporting on the nature and the degree of implementation of the University's affirmative action programs. Annual reports as to the number of handicapped people employed will be prepared for the University equal opportunity officer, and will be presented annually to the president of the University and to the Board of Trustees.

7. CAMPUS AFFIRMATIVE ACTION PROGRAM

a. *Academic Employment*: Each campus affirmative action program has a mechanism established by the Office of the Chancellor which assures that equal opportunity guidelines have been considered before appointments receive final authorization. The following features are also incorporated:

- position descriptions, including a written list of the broad responsibilities anticipated initially for each appointee.
- evaluation procedures and documentation to assure equal opportunity at every step of the selection

process, including a special review of the appointment papers before authorization to fill a position is given.

b. *Nonacademic Employment*: Appropriate efforts will be made to recruit, train, and upgrade all qualified individuals.

8. GRIEVANCE PROCEDURES

The University has adopted "Guidelines on Grievance Procedures for Complaints of Discrimination," and the general University and the campuses have adopted grievance procedures to cover complaints by faculty, academic professionals, and students concerning alleged discrimination by the University on the basis of race, sex, national origin, religion, age, handicap, or status as disabled veteran, or veteran of the Vietnam era. Similar grievance procedures are available to nonacademic employees and these are found in the *Policy and Rules-Nonacademic*. These procedures are available for disabled veterans, veterans of the Vietnam era, and handicapped persons who seek relief of alleged pre-employment or employment discrimination.

¹ Section 503, Rehabilitation Act of 1973.

² Section 402, Vietnam Era Veterans Readjustment Assistance Act of 1974.

³ Section 504, Rehabilitation Act of 1973.



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FACULTY LETTER

FROM THE OFFICE OF THE PRESIDENT · UNIVERSITY OF ILLINOIS

No. 274, February 15, 1978
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Budget Recommendations of Board of Higher Education

STATEMENT BY PRESIDENT CORBALLY TO BOARD OF TRUSTEES AT JANUARY 18 MEETING

As you know, the Illinois Board of Higher Education at its regular meeting held on January 10 approved the advice which it will provide the governor and the General Assembly about Fiscal Year 1979 budget requests for higher education. This advice is presented in two documents, one relating to operations and grants, the other to capital improvements.

It is apparently still difficult for some people to understand the roles of various groups in developing budgets and appropriations decisions for higher education in Illinois. Thus, immediately following the IBHE meeting, we read or heard reports such as "University tuition increases for 1978-79" or "Board reduces faculty salary increases." The IBHE is an adviser — not a governing board — and decisions about the appropriations we shall seek and the allocation of the funds we receive are matters under the jurisdiction of this board, subject to the actions of the General Assembly and of the governor. Any reports, then, of what is or is not to be done in FY 1979 at the University of Illinois are definitely premature.

In the operations and grants area, the IBHE recommended increased appropriations for all of higher education in Illinois amounting to \$93.824 million. This amount is allocated among various units as follows:

Senior universities	\$ 56.0 million
Community colleges	7.3 "
ISSC	9.6 "
Private institutions	1.0 "
Health education grants	2.3 "
Retirement	16.7 "
Other	.8 "
Total	\$ 93.7 ***

(* \$0.1 million lost in rounding)

The IBHE recommends that this new dollar amount of \$94 million be made up of about \$87.5 million in new General Revenue Fund appropriations and about \$6.5 million to be gained through tuition increases averaging \$48 per student per academic year. This recommendation provides that the total increase of 10.64 percent over FY 1978 be supported by an 11.4 percent increase in General Revenue Fund support and a 7 percent increase in support through the income funds of the senior universities.

For senior universities, the recommended new dollars (\$56 million) are allocated as follows among (1) systems and (2) purposes:

(1) Board of Governors	\$ 9.5 million
Board of Regents	10.2 "
Southern Illinois University	10.0 "
University of Illinois	26.3 "
Total	\$ 56.0 "
(2) Salary increases	\$ 36.4 million
Price increases	8.3 "
O & M — new buildings	2.6 "
Program support	6.0 "
Other	2.5 "
Adjustments to FY 1978 base	0.2 "
Total	\$ 56.0 "

These recommendations compare to requests for FY 1979 submitted by the various units included within the category "higher education" as follows:

(1) Total request	\$154.8 million
Total recommendation	93.8 "
Recommendation as percent of request	60.6%
(2) Request — senior universities	\$ 82.6 million
Recommendation — senior universities	56.0 "
Recommendation as percent of request	67.8%
(3) Request — U. of I.	\$ 34.5 million
Recommendation — U. of I.	26.3 "
Recommendation as percent of request	76.2%

For the University of Illinois, the differences between requests and recommendations total \$8 million and are as follows:

Salaries	(\$ 1.68 million)
Price increases	(.75 ")
O & M — new buildings	(.12 ")
New programs	(4.87 ")
Other	(.57 ")
Total	(\$ 7.99 million)

These figures and comments represent the cold facts of the IBHE budget recommendations for FY 1979. Several items are worthy of special mention. The IBHE recommendations contain a careful and thorough discussion of the funding problems of the State Universities Retirement System (SURS), and the recommended increase of \$16.7 million for SURS funding will enable Illinois to achieve retirement funding above the so-called payout level for the first time for many years. The recommendation provides the funds necessary to achieve the level recommended by the Pension Laws Commission — net benefit payout plus 2 percent of total estimated payroll. This recommendation deserves and will receive our strong support.

We are presently engaging in conversation with the staff of IBHE concerning the nearly \$5 million reduction in our request for funds to support program initiatives. While it seems clear that we will need to adjust to the reduction, we do not yet have full agreement with the IBHE staff about the distribution of the reduction among various programs. I expect that we will reach agreement and I do agree with the IBHE staff that program initiatives must follow salaries, retirement funding, and meeting price increases in any reasonable list of priorities.

The tuition issue is one about which we shall talk later today and I will simply mention here that in spite of the IBHE recommendations it is clear that the two questions — “Whether or not an increase shall occur?” and “If so, how great shall the increase be?” — are far from settled. My only regret at this moment is that the careful and wise efforts made last year to remove this issue from the political arena and to place major responsibility for tuition decisions in the hands of governing boards seem now to be forgotten. I believe that what was a principle in 1977-78 is still a principle in 1978-79, and I will continue to express that view.

Before making the final point with regard to budget requests for operations and grants for FY 1979, let me speak very briefly about IBHE recommendations for capital improvements. It is generally understood that authorizations and thus appropriations for new capital

projects in FY 1979 will be limited. While the IBHE staff recommends support of \$125 million in new capital expenditures of which \$22 million are in response to requests from the University of Illinois and \$34 million are for the second phase of the Food Production and Research program, it is unlikely that these totals will be realized. It seems clear that the commitments to the Food Production and Research program will be met and that some portion of the space remodeling, renovation, and repair (SR³) program will be funded. This entire area of concern is still under discussion and little weight can be given to current recommendations related to capital improvements.

My final comments relate to the salary portion of the IBHE recommendations. You know that at the January meeting of the IBHE I spoke vigorously in support of the salary recommendations which you approved in our budget request — salary increases averaging 10 percent for all University personnel. A copy of my remarks at that meeting is attached to these remarks. I have been somewhat surprised that some people would find it unusual or a sign of “giving in to pressure” that my comments about and actions on behalf of salary increases might be modified as a result of my conversations with members of the faculty of the University. One of my primary tasks is to represent the faculty of the University and I hope always to be alert to and receptive to suggestions and criticisms from that primary constituency. But more persons than faculty members found the IBHE salary recommendations for increases averaging 8 percent plus 2 percent for “low-paid employees” seriously deficient. In meetings with academic deans and directors as well as with representatives of our professional/administrative staff, the intensity of feeling about the failure of the IBHE to support salary increases at the 10 percent level was expressed to me. It is clear that our initial salary recommendations were justified when you approved them and are at least as fully justified today and it is my hope that you will support my intention to continue to work on behalf of those justified increases.

I will be pleased to respond to your questions or to hear your comments concerning this report.

President's Statement on FY 1979 Budget Recommendations

DELIVERED TO ILLINOIS BOARD OF HIGHER EDUCATION IN CHICAGO, JANUARY 10, 1978

Fiscal Year 1979 Higher Education Budget Recommendations, Operations and Grants, Illinois Board of Higher Education

Both the dollar figures of the IBHE budget recommendations for Fiscal Year 1979 and the text in support of those dollar figures deserve the careful attention of the citizens of Illinois. The staff of the Board of Higher Education has worked long and hard to develop both the recommendations and the supporting material and has done so in full consultation with representatives of the systems and other higher education units in Illinois. While I recognize that some have already suggested that

the recommendations seek too much, I must strongly suggest that our data indicate that in the area of faculty and staff salaries these recommendations seek too little. The Board of Trustees of the University of Illinois devoted major attention in the development of its budget request to salary needs and concluded that salary increases averaging 10 percent for all personnel of the University were essential. The data in support of increases of at least this amount have been before you in salary studies conducted by or for your staff and I will not repeat those data again.

But I do want to say to you today and through you

to the people of Illinois, to Governor Thompson, and to the General Assembly that what you see as printed justifications of salary needs, I and my colleagues experience each day in real and human terms. I am watching the beginnings of the deterioration of one of the great university faculties in all the world—the faculty of the University of Illinois. Morale is low; contentiousness is high; minor irritations assume major proportions; and a faculty which traditionally devoted its attention to teaching, research, and public service now finds itself increasingly concerned about its own welfare.

The low salary rank of our top quality faculty is viewed by the faculty as a sign of the lack of respect which Illinois and its leadership have for higher education, for intellectual excellence, and for over a century of significant academic achievement.

I know the leadership of Illinois and I know that they do respect and honor higher education. The time

is nearly here when we will have lost what our predecessors built. The time is here for real, honest action, not for pats on the head and for friendly words. I will urge the Board of Trustees of the University of Illinois to continue its strong support of its request for 10 percent salary increases and I hope that many of you on the Board of Higher Education will join in this effort. This support is crucial if education is indeed to remain visible as a real priority of the leadership of Illinois.

There are other and much less significant items within these recommendations about which we continue to work with the IBHE staff. My view about the recommendations is a positive view and it seems inappropriate, therefore, to discuss details today. Only in the crucial area of salaries is it imperative that we speak out today strongly and clearly so that the significance of that concern is not lost.

University Boards and Committees

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University Committee on Accident Compensation. Robert N. Parker, *Chairperson*, Truman O. Anderson, Dean Barringer, Dale N. Brostrom, Allan J. Harrison, William J. Hart, Timothy O. Madigan, Alexander M. Schmidt, Laurence M. Solomon.

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University Council on Public Service. Peter E. Yankwich, *Chairperson*, John B. Claar, Dennis A. Dahl, Samuel K. Gove, Thomas M. Jenkins, Alexander M. Schmidt, James E. Vermette, Thomas F. Zimmerman.

Advisory Committee to the Board of Trustees of the University Retirement System of Illinois. Walter H. Franke, Stephen W. Forbes, Beverly T. Lehman, Howard A. McIntosh, Lois E. Owens, William H. Ross, William W. Tongue, Wallace H. Wilson.

University Committee on State-University Relations. Samuel K. Gove, *Chairperson*, Samuel R. Aldrich, Dennis A. Dahl, Alan W. Donaldson, Michael Goldstein, James P. Hartnett, Boyd R. Keenan, Ross J. Martin, James T. McGill, Peter E. Yankwich, W. Ann Reynolds.

University Committee on University Relations. David Landman, *Chairperson*, Lewis Barron, J. B. Claar, Lynn Pierce, Jack Righheimer, James E. Vermette.

University Senates Conference.

Chicago Circle. Elizabeth Gebhard, John Curtis Johnson, *Chairperson*, Richard M. Johnson, Leonard Kent, Harriet Talmage, Bert L. Zuber.

Medical Center. Bernard Ecanow, *Secretary*, Olga M. Jonasson, Sabath F. Marotta, George E. Miller, John P. Waterhouse, Harriet H. Werley.

Urbana-Champaign. A. Lynn Altenbernd, Rupert Evans, Kenneth Harshbarger, Robert G. Spitze, Mac Van Valkenburg, Rollin Wright.

University Committee on Admissions.

Chicago Circle. Robert J. Adelsperger, Robert E. Corley, *Chairperson*, Eloise H. Cornelius, William J. Dunne, Jose Ortiz, William C. Price, *ex officio*.

Medical Center. Thomas W. Beckham, *ex officio*, Donald W. Rice.

Urbana-Champaign. Margaret D. Early, Jane W. Loeb, *ex officio*, James C. Martin, Robert L. Mosborg, Ben A. Rasmusen, Jack Riley.

University Representative. E. Eugene Oliver, *ex officio*.

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FACULTY LETTER

FROM THE OFFICE OF THE PRESIDENT · UNIVERSITY OF ILLINOIS

No. 275, April 10, 1978

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Review of Progress on FY 1979 Budget; Tuition-Salary Issues

STATEMENT BY PRESIDENT CORBALLY TO BOARD OF TRUSTEES AT MARCH 15 MEETING

This statement to you started out to be a recommendation related to tuition levels for the coming academic year. It is now much broader than that and while I apologize for the length of these remarks, I cannot over-emphasize their importance nor the need to view them as a whole rather than as a collection of separate items.

At this point in time as we face our final decisions related to the 1978-79 operating budget and to our strategies for securing appropriations in support of our needs, it is important to review the steps which have taken place to date:

1. In September 1977 you approved the submission to the Board of Higher Education [BHE], to the governor, and to the General Assembly of a budget request for 1978-79 in the amount of \$300,395,700 (inclusive of Agricultural Premium Funds and exclusive of SURS contribution). This request included funds to support salary increases averaging 10 percent for all members of the faculty and staff. This request did not include any recommendations concerning sources of funds — particularly concerning tuition increases.

2. In January 1978 the Board of Higher Education approved budget recommendations for the University for 1978-79 in a total amount of \$292,268,900 — a decrease of \$8.1 million from our request. I provided the details of that decrease to you in January; most of the dollars were deleted from new programs. However, our request for salary increases averaging 10 percent was reduced to a recommended increase of 8 percent plus 2 percent for lower-paid Civil Service employees. The BHE recommendations also included recommended tuition increases of \$48 per year — increases which would have provided \$2.4 million in support of our budget.

3. Earlier this month, the Board of Higher Education responded to a request from Governor Thompson and provided a recommended allocation of the funds the governor has said will be available for higher education for 1978-79. This allocation provides the University of Illinois with \$290,681,500 for 1978-79 — a decrease of \$1,587,400 from the original BHE recommendation, but an allocation which does not depend upon a tuition increase. This allocation also provides for salary increases averaging 8 percent plus 2 percent for lower-paid Civil Service employees.

4. Recommendations related to SURS funding have also gone through several stages. We requested \$48.8 million — an increase of \$27.9 million over the 1977-78 level — which is the so-called “minimum statutory requirement.” The BHE recommended \$26.8 million (an increase of \$5.85 million) which is the so-called “Pension Laws Commission Plan” or “net pay-out plus 2 percent of payroll.” Within the governor’s recommended amount, the BHE recommends SURS funding for the University of Illinois in an amount of \$25.9 million — the “gross benefit payment” requirement and an increase of \$4.9 million over 1977-78.

Of particular importance here is that even the smallest amount recommended — \$25.9 million — is \$4.4 million more than the amount required for “net benefit payment” — the funding basis which has prevailed for the last decade.

The decisions which we face today, then, are related to the content of the appropriation bill which we will introduce for 1978-79 and a decision on tuition levels for 1978-79. While there are other topics which seem to arrive on our discussion agenda regularly, the subject of tuition is the topic which has appeared with the greatest regularity and with the most consistent intensity during my seven-year tenure with the University of Illinois. I find that fact unfortunate, for the topic of tuition charges in public higher education in Illinois should be relatively simple and straightforward. Our tuition levels are low by almost any measure; Illinois supports one of the most comprehensive plans of student financial aid in the nation and there is no evidence that tuition levels in Illinois are even approaching the point where they interfere with access to public higher education; and while we may argue about the sufficiency of increased appropriations for higher education, tax support in Illinois for higher education has increased each year, and there is certainly no evidence of intent on the part of governing boards, the General Assembly, or governors to place an excess burden on tuition for the support of higher education. As I have said many times, the simple fact is that tuition is a price and that in times of inflation prices go up or the quality of what you are paying for goes down.

But we have permitted tuition to become both an emotional and a political issue, and tuition decisions in

Illinois are not based on facts alone. In neighboring states, tuition levels at comparable universities have been increased — at no identifiable cost to access even in states with minimal financial aid programs. In our state some private institutions have been forced to raise tuition by increments larger than our total tuition, and state financial aid programs have been adjusted in attempts to ease the burden of these increases — adjustments which send an increasing number of public dollars to support the payment of high private university tuitions. And while governing boards in Illinois systems of public higher education are held responsible for the institutions they govern on behalf of the people, the ability of governing boards to study, to deliberate about, and to establish tuition levels is presently more a fiction than a fact.

So this year again we have discussed the tuition issue as if we really could do something about it. We — both you and I — have done so in spite of statements from legislative leaders that tuition increases for 1978-79 would not be approved and in spite of statements from the governor's office that tuition increases for 1978-79 would be vetoed and from the governor that tuition increases for 1978-79 should not be sought. It seems clear to me that our first tuition objective must be to seek legislative change so that the governing boards of the four senior university systems have the same responsibility and authority for tuition decisions that now prevail in the Illinois system of community colleges. Governor Thompson has endorsed such legislation as has the Board of Higher Education, and with your approval, I intend to work actively in support of such legislation, starting immediately.

Given the inability of this governing board to make binding tuition decisions because of the roles of the General Assembly and of the governor in such decisions, and given the current emphasis upon tuition as a political issue, I do not find any reason other than a symbolic one to ask you to approve increased levels of tuition for 1978-79. I personally believe in the need for and in the equity of a tuition increase based upon inflation factors. I regret the fact that the setting in Illinois makes it difficult, if not impossible, for this governing board to make tuition decisions in a clear and straightforward and final way. But if I ask you to approve a tuition increase and if you do so, that approved increase becomes a part of our appropriations bill. In testimony and hearings before the General Assembly, our approval of a tuition increase and emotional and/or political arguments about that increase can become of greater interest and assume greater importance than discussions of our crucial and real budgetary needs. Even faculty members otherwise eloquent seem rendered incoherent when asked to consider tuition and other sources of revenue to support meeting realistic salary and programmatic needs. It would be unfortunate to permit a set of artificially constructed controversies described as "tuition issues" to divert our attention from our real needs. So, unless you demand that I do so, I have determined that I will not seek the tuition increase

which I believe to be right, but will instead settle for what I regretfully believe to be real for 1978-79.

A decision not to seek a tuition increase for 1978-79 means that our budgetary decisions must be based upon increases in general revenue funds only. Governor Thompson has recommended an increase of 10.3 percent over expenditures and 9.6 percent over appropriations in general revenue support of higher education in FY 1979. For the University of Illinois, the BHE allocation of the governor's recommendations provides an increase in general revenue support of 10.3 percent over appropriations including SURS contributions. Our legitimate concerns about tuition levels or about unmet needs must not lead us to overlook the strong level of support which Governor Thompson's recommendations represent. The dollar increase is the greatest year-to-year increase ever received by the University from general revenue funds and is the largest percentage increase since FY 1971. The governor's recommendations do support salary increases greater than inflation and do provide for increased SURS funding. It is essentially in programmatic support that the various budget recommendations differ and that support is crucial to our quality and to faculty satisfaction just as is equitable salary treatment. Just as some faculty members have chided me for lack of support for adequate salary increases, others have chided me for lack of support for the programmatic elements of our budget requests.

It is, therefore, my intent with your approval to introduce our appropriations bill at the BHE-recommended level, but without the BHE-recommended tuition increase. This level provides for an increase of \$26.3 million over 1977-78 — all now from general revenue funds. It seeks \$1.6 million more than Governor Thompson's recommendation will provide. It will support SURS contributions at the level recommended by the Pension Laws Commission. It will provide programmatic support for each of our campuses in essential areas of concern. It will provide for salary increases averaging 8 percent plus 2 percent for lower-paid Civil Services employees without a tuition increase.

Let me make clear that these salary increases will not solve our salary problems, even though they will improve our situation somewhat. I shall continue to point out our unmet needs and will do so vigorously. Our unmet salary needs will remain an issue for FY 1980 just as will an intelligent approach to responsibility for tuition decisions. But if I must face reality today with regard to tuition, so must I face reality with regard to the speed with which we can overcome several years of inadequate salary support.

I have been asked what is different today from the conditions which existed on January 10, 1978, when I urged you to continue your strong support of our request for a 10 percent salary increase. What seem to me to be differences are that the chances for a tuition increase are now nil, SURS contributions have moved from "net" to

“gross” at a cost of about two and one-half percentage points on our salary and wages base, and support for programmatic needs has been reduced to no better than a bare minimum in order to preserve salary increases and SURS contributions. I do not back away from my support of our budget request nor do I want you to do so, and I shall continue to enunciate our needs. As we seek to support the BHE budget recommendations and as we

recognize new levels of support from the leadership of Illinois, we must tread the thin line between seeking too much and being content with too little. FY 1979 can represent real progress on the road back to needed levels of financial support, and I urge all of those concerned with the quality and health of the University of Illinois to come together in support of that progress as a base for continuing progress in the years to follow.

Refinancing University Debt—Auxiliary Enterprises

EXPLANATION OF PLAN APPROVED BY BOARD IN MARCH

At the March 1978 meeting of the Board of Trustees, a major program to refinance the debt of the University was approved. The debt involved is for facilities in what are described as the auxiliary operations of the University — primarily student housing and various activity facilities. At the present time the debt is being retired by a combination of income received from operations, from user fees, from student fees, and from tuition payments retained by the University for debt service. This latter source of funds (tuition retention) is available only to the University of Illinois and to Southern Illinois University under existing Illinois statutes. However, various state agencies are seeking the elimination of “tuition retention” and the University of Illinois has been striving to do so for the past several years, so that all tuition income will be used to support the education and general expenses of the University.

The refinancing plan involves the following steps:

1. The direct exchange of approximately \$22 million of bonds held by the Department of Housing and Urban Development on a par for par basis (this transaction will permit a reduced debt service reserve requirement and improve the flexibility of funding for the use and support of housing and auxiliary facilities).

2. The sale of \$50-60 million of bonds for the purpose of “advance refunding” existing debt. The proceeds of this sale will be placed into an escrow account (sinking funds) to be used in retiring existing debt as it becomes due over the next thirty years.

3. In the process of providing for the full long-term payment of existing debt, the University’s debt structure will be altered and leveled (stabilized) at approximately \$3.7 million per year for the next thirty years. Under the present debt structure, net debt service requirements in 1979 are approximately \$6.0 million; therefore, on an annual basis, roughly \$2.3 million in cash savings occur through the creation of a new debt structure.

4. The \$2.3 million in annual cash savings would enable the University to support over \$31 million in *new* debt over the next thirty years. By maintaining a net annual debt service level of \$6.0 million over thirty years, the University could not only retire the indebtedness of the advance refunding bonds (at \$3.7 million per year),

but also new debt incurred through a subsequent “parity bond series” (at \$2.3 million per year).

5. Because the University’s immediate construction needs (for auxiliary enterprises only) total \$24 million, a net annual debt service level of approximately \$5.5 million is required to meet the total new debt requirements. In other words, although the University would have the capacity to support \$31 million of new debt in a parity bond series (without increasing its net debt service level of \$6.0 million), selling only \$24 million “frees up” roughly \$500,000 per year in available revenue.

6. To eliminate the need for tuition retention (money retained presently by the University from the Income Fund), a per-student service fee increase of approximately \$25 would be required. This fee increase would eliminate the use of \$1.2 million of Income Fund collections which are now being pledged in support of certain auxiliary services. However, because the University will be establishing a new total annual debt service level nearly \$500,000 less than total income will support, these dollar savings will be used to partially reduce the current tuition and fee amount being retained. A \$15 per-student-per-year fee increase will generate \$700,000 per year. When combined with the \$500,000 of available, but unused, income in the system, these two amounts will be sufficient to eliminate the need for \$1.2 million in retained Income Fund revenue. (This action will allow the University to place the \$1.2 million heretofore retained for auxiliary services into the Income Fund for appropriation and use by the three campuses.)

7. Current “debt service” and “repair and replacement” reserves totaling approximately \$16 million will be placed into a special account (through the purchase of long-term government securities). Interest from this account (estimated at almost \$1.8 million or 8 percent per year) will be pledged toward annual debt service requirements. Present earnings on these funds are restricted because of existing bond covenant requirements — present yield is approximately \$1.1 million per year or 6.2 percent. This facet of the new “system,” then, will generate roughly \$700,000 more for the University in interest earnings.

8. Slightly more than \$7 million of the \$50-60 million

to be gained from the sale of "advance refund" bonds will be used to retire existing Foundation debt for the Stadium (\$1.2 million) and the Intramural-Physical Education facility (\$6.0 million) at Urbana-Champaign. Under the umbrella of the new "system," the Athletic Association will provide annual payments toward the retirement of existing and new debt for the Stadium. Existing student fees will support annual debt service on the IMPE facility.

9. \$6 million of the "advance refund" bonds will be

used to establish a debt service reserve which is equivalent to one year's net debt service requirement for the system.

10. As part of a program to insure the physical integrity of the facilities in the system, a repair and replacement reserve will be established over the next two years. In addition to the \$2-3 million reserve contemplated for this purpose, an annual amount approximating \$1.5 million will be claimed from the revenues of the system to meet yearly repair and replacement needs.

SUGGESTED PROJECT PRIORITIES FOR CAMPUS LIFE AUXILIARY ENTERPRISES SUPPORT SYSTEM

Priority	Current Indebtedness	Chicago Circle	Medical Center	Urbana-Champaign	Total	Cumulative Total Without Foundation	Cumulative Total With Foundation
1	IMPE Building at Urbana-Champaign			\$ 6,073,000	\$ 6,073,000		\$ 6,073,000
2	Memorial Stadium at Urbana-Champaign			1,278,073	1,278,073		7,351,073
	Subtotal			(\$ 7,351,073)	(\$ 7,351,073)		
	<i>Remodeling, Equipment Replacement, and Completion of Current Structures</i>						
3	Urbana-Champaign — Memorial Stadium — Weatherproofing			\$ 2,100,000	\$ 2,100,000	\$ 2,100,000	\$ 9,451,073
4	Urbana-Champaign — Assembly Hall Roof Resurfacing			1,600,000	1,600,000	3,700,000	11,051,073
5	Chicago Circle Center — Revolving Doors	\$ 80,000			80,000	3,780,000	11,131,073
6	Chicago Circle Center — Recreation Lighting	20,000			20,000	3,800,000	11,151,073
7	Chicago Circle Center — Swimming Pool Locker Room Floor	40,000			40,000	3,840,000	11,191,073
8	Chicago Circle Center — Second Floor Locker Room Conversion	50,000			50,000	3,890,000	11,241,073
9	Medical Center — Housing and Union — Equipment Replacement and Facility Renewal		\$ 1,737,490		1,737,490	5,627,490	12,978,563
10	Urbana-Champaign — McKinley Health Center — Roof and H.V.A.C.			110,000	110,000	5,737,490	13,088,563
11	Urbana-Champaign — Housing Division — Roof Repair Improvements			745,000	745,000	5,482,490	13,833,563
12	Urbana-Champaign — Housing Division — Kitchen and Safety Improvements			625,000	625,000	7,107,490	14,458,563
13	Urbana-Champaign — Illini Union — Kitchen Equipment			180,000	180,000	7,387,490	14,638,563
14	Urbana-Champaign — IMPE Patio and Indoor Pool Repair			290,000	290,000	7,577,490	14,928,563
15	Chicago Circle Center — Great Circle Hall Completion	1,700,000			1,700,000	9,277,490	16,628,563
16	Chicago Circle Center — Lockse First Floor High-Rise Building	100,000			100,000	9,377,490	16,728,563
	Subtotal R, R, and Completion of Current Structures	(\$ 1,990,000)	(\$ 1,737,490)	(\$ 5,650,000)	(\$ 9,377,490)		
	<i>New Projects</i>						
17	Medical Center Union Addition and Recreation Facilities		\$ 5,550,000		\$ 5,550,000	14,927,490	22,278,563
18	Chicago Circle Pavilion	\$ 7,500,000			7,500,000	22,427,490	29,778,563
19	Urbana-Champaign — Illini Union Bookstore Improvement			\$ 600,000	600,000	23,027,490	30,378,563
20	Chicago Circle Outdoor Playing Fields	620,000			620,000	23,647,490	30,998,563
21	Medical Center Outdoor Recreation Facilities		195,000		195,000	23,842,490	31,193,563
22	Urbana-Champaign — McKinley Health Center Elevator			140,000	140,000	23,982,490	31,333,563
	Subtotal Enrichment	\$ 8,120,000	\$ 5,745,000	\$ 740,000	\$ 14,605,000		
TOTAL		\$ 10,110,000	\$ 7,482,490	\$ 13,741,073	\$ 31,333,563		

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FACULTY LETTER

FROM THE OFFICE OF THE PRESIDENT · UNIVERSITY OF ILLINOIS

No. 276, September 15, 1978

Statement on State Appropriations for Fiscal Year 1979

REPORTS ON THE OPERATING BUDGET, THE CAPITAL BUDGET, AND FOOD FOR CENTURY III

OPERATING BUDGET

Governor Thompson has signed the University's operations and grants legislation for the 1978-79 fiscal year. While one can never be completely pleased with an appropriations process which does not meet in full measure the total needs represented by the Board of Trustees budget request, the Fiscal Year (FY) 1979 appropriation can be viewed with considerable satisfaction.

Excluding retirement and capital appropriations, the FY 1979 legislation provides incremental funds totaling \$24,755,600. This figure represents an increase of 9.3 percent over the University's FY 1978 base — the highest increase in four years and the second highest since FY 1971. The FY 1979 increase is well above the 5.86 percent average increase for the past seven fiscal years. Highlights of the appropriations signed by the governor include the following:

— Funds sufficient to provide salary increases averaging 8 percent for continuing University faculty and staff members.

— Supplementary salary increase funds for lower-paid civil service employees.

— Recognition of an inflation-induced decline in the ability of the University to maintain adequate library acquisition rates, and provision of a 10 percent increase in funds for acquisitions to begin recovery from this decline.

— Acceptance of the principle of replacing declining federal funds in support of health professions and veterinary medicine education and a commitment of state funds to begin the replacement process.

— Recognition of the growing deficiency in funds available for replacement of equipment, and provision of \$200,000 to begin the recovery process at Urbana-Champaign.

— Funding to continue the growth and development of the Chicago Circle Extended Day/Program PM efforts.

— Funding (in separate legislation) of the state contribution to retirement at the "gross payout level" which will permit the establishment of reserves to help offset future growth in unfunded liabilities in the State Universities Retirement System.

The actions of the General Assembly and the governor this year in support of the University — indeed, of all higher education — appear to indicate their recognition of the need for recovery from past years of funding levels inadequate to allow the advancement, or in some cases the continuation, of the University's major missions. Table A describes the history of the FY 1979 operating budget request from approval by the Board of Trustees through signature by the governor. The following sections describe the major components of the budget as approved by the governor.

Salary Increases (\$15,984,600) — The Board of Trustees requested funds to allow average salary increases of 10 percent for University employees. The Illinois Board of Higher Education (IBHE) originally recommended increases of 8 percent for most employees and 10 percent for lower-paid civil service personnel. The IBHE held to its recommendation when advising the governor on the allocation of his budget for higher education. However, in order to maintain the 8 and 10 percent levels in the governor's budget, the IBHE advised using a 10 percent employee turnover rate for calculating the funds necessary to support its recommendation. This turnover rate is higher than the University of Illinois has experienced in the past.

Although recent evidence of increased inflation has been noted, it appears that for FY 1979 most University personnel will receive salary increases which will exceed current inflation estimates. This is the most favorable position the University has been in since FY 1973. In addition, although final data are not yet available, it appears that both academic and nonacademic employees will show some gains relative to their respective salary-comparison groups.

Price Increases (\$3,467,900) — The University received funds to provide general price increases of 4.5 percent for most goods and services (\$1,372,900). As in the past, the state provided additional support for utility price increases, funded at an 11.5 percent increase (\$1,775,600).

For the first time, differential price increase funds were also provided to support increases in library acquisitions. Due to severe inflationary increases related to publication costs, price increases of 10 percent for acquisitions were approved (\$319,400).

TABLE A
FY 1979 INCREMENTAL REQUEST
(In Thousands of Dollars)

	<i>Board of Trustees</i>	<i>IBHE Approved</i>	<i>Approved by General Assembly</i>	<i>Signed by Governor</i>
I. Continuing Components				
A. Salary Increases.....	\$18,759.0	\$17,145.9	\$16,028.6	\$15,984.6
B. Price Increases				
1. General.....	2,022.1	1,478.9	1,372.9	1,372.9
2. Utility.....	2,316.5	1,761.7	1,775.6	1,775.6
3. Libraries.....	...	424.9	319.4	319.4
C. O & M Support.....	1,514.4	1,390.4	1,390.4	1,390.4
D. Workman's Compensation.....	80.0	80.0	80.0	80.0
Subtotal.....	(\$24,692.0)	(\$22,281.8)	(\$20,966.9)	(\$20,922.9)
% of 1978 Base ¹	9.29%	8.39%	7.88%	7.87%
II. Recovery of Deficiencies				
A. Equipment.....	750.0	250.0	200.0	200.0
B. Library ²	500.0	...	...	...
C. O & M/SR ³	1,400.0	400.0	500.0	500.0
Subtotal.....	(\$ 2,650.0)	(\$ 650.0)	(\$ 700.0)	(\$ 700.0)
% of 1978 Base.....	1.00%	.20%	.30%	.30%
III. Programmatic Components				
A. Assistance to Students (CC).....	496.7	40.0	150.0	150.0
B. Extended Day (CC).....	800.0	500.0	400.0	400.0
C. Capitation Replacement.....	2,500.0	575.0	575.0	575.0
D. Dentistry Expansion (MC).....	333.0	333.0	333.0	333.0
E. Library Circulation (UC).....	475.0	400.0	400.0	400.0
F. Veterinary Medicine (UC).....	740.8	480.0	400.0	400.0
G. College of Law.....	116.0	75.0	50.0	50.0
H. Impr. Undergrad. Educ. (UC).....	192.0	...	...	...
Subtotal.....	(\$ 5,653.5)	(\$ 2,403.0)	(\$ 2,308.0)	(\$ 2,308.0)
% of 1978 Base.....	2.13%	.90%	.88%	.88%
IV. Special Services				
A. DSCC.....	579.0	420.0	150.0	150.0
B. Energy Resources Center.....	60.0	30.0	30.0	30.0
C. Urban Health Programs.....	165.0	165.0	165.0	165.0
D. Coop. Extension Service.....	85.0	60.0	60.0	60.0
E. County Board Matching.....	222.1	65.0	65.0	65.0
Subtotal.....	(\$ 1,111.1)	(\$ 740.0)	(\$ 470.0)	(\$ 470.0)
% of 1978 Base.....	.42%	.28%	.18%	.18%
V. Other.....	...	340.7 ³	354.7 ⁴	354.7 ⁴
VI. Grand Total.....	(\$34,106.6)	(\$26,415.5)	(\$24,799.6)	(\$24,755.6)
% of 1978 Base.....	12.83%	9.93%	9.33%	9.31%

¹ FY 1978 Base = \$265,925.8 excluding capital, retirement, and IBA rentals.

² IBHE funded Library Price Increases at 10% instead of deficiency.

³ Includes Income Fund Adjustment due to Audit Commission requirements (\$238.0) plus refunds tied to IBHE recommendations for tuition (\$102.7).

⁴ Includes lowered Income Fund Adjustment (\$187.5) plus Contingency (\$167.2).

Operation and Maintenance Support (\$1,890,000) — Funds for additional maintenance costs arising from the opening of new buildings were provided at the rate of \$2.20 per gross square foot for the Turner Hall addition, Veterinary Medicine remodeling, Visual Aids addition, and the Ornamental Horticulture addition (all at Urbana-Champaign), and at \$3.30 per gross square foot for the Replacement Hospital at the Medical Center (\$1,390,400).

In addition, \$500,000 has been provided for the dual

purpose of funding nonbondable items related to completion of construction or remodeling of capital projects and to support administrative costs associated with the University's Space Realignment, Renewal, and Replacement Program (SR³). This funding for SR³ represents the most tangible evidence of the state's acceptance of the need to provide funds on a regular basis for the renewal and repair of the University's physical facilities.

Workmen's Compensation (\$80,000) — The University has faced steadily rising costs for Workmen's Com-

pensation awards in the past three fiscal years, due to an increase in the number of claims and a significant liberalization in benefits. To meet this growth for FY 1979, an increment of \$80,000 was appropriated.

Program Support (\$2,308,000) — Chicago Circle: Incremental funds have been provided for two major program thrusts: the Extended Day/Program PM effort, which has made academic programs at Chicago Circle accessible to students at hours outside the traditional class day (\$400,000); and Assistance to Students, which will provide a variety of expanded services to students who need special academic or other assistance (\$150,000).

Medical Center: Program funds have been provided to replace declining federal capitation funds, thus avoiding the possibility that a reduction in enrollments might be necessary (\$575,000). Additional funds were provided to enable the College of Dentistry to increase its enrollment by thirty-three students, thus achieving the level required under provisions of a federal grant which provided \$1.25 million for dentistry equipment (\$333,000).

Urbana-Champaign: Sufficient new funds were approved to continue the development of the library computer system to the extent that it should become functional within the University during FY 1979 (\$400,000). Incremental funds were provided for the College of Veterinary Medicine both to replace federal capitation funds no longer available and to continue the upgrading of the college's teaching and research programs (\$400,000). In addition, funds were provided to begin expansion of interdisciplinary teaching programs in the College of Law (\$50,000).

Special Services Support (\$470,000) — In addition to the continuing and progressive components of the budget request, funds are sought each year to support certain special service components which the University is asked to provide outside the realm of its regular teaching and research efforts. Included in this category for FY 1979 were incremental amounts for the Energy Resources Center (\$30,000) (CC), the Urban Health Program (\$165,000) and the Division of Services for Crippled Children (\$150,000) (MC), and the Cooperative Extension Service (\$60,000) and County Board Matching Fund (\$65,000) (UC).

Retirement Contributions (\$4,947,400) — Retirement appropriations for all state systems of higher education were placed in separate legislation again this year. The governor has officially signed the retirement bill, which represents a significant step forward in retirement funding for higher education. For the first time, the state's contribution will be funded at the "gross payout" level rather than at the "net payout" level used in the past.

At the net level, only enough state funds are contributed each year to meet actual pension requirements of retired state employees, when combined with contributions from active employees. At this level, no reserves

can be set aside to offset the future costs of higher pension payment requirements.

Under the gross payout level appropriated this year, the state will contribute not only its share of current pension payments, but also an additional amount equal to the contribution of active employees. This will permit the establishment of a reserve equal to the contribution of the active employees, with the state funding the cost of actual pension requirements.

Although the gross payout level remains below the statutory full-funding requirement, the increase in appropriations for the State Universities Retirement System is a welcome sign of recognition of the state's need to maintain an adequate financial base for a retirement system which will grow rapidly in the next twenty years.

Vetoed Provisions (\$44,000) — During Senate consideration of the University's appropriations, an amendment was approved to provide \$44,000 in additional salary funds for nonacademic employees at the Dixon Springs Agricultural Center. This amendment was passed by the House as well, but was vetoed by the governor. The amendment appeared to be in conflict with the statutory requirement that the Universities Civil Service System provide salary schedules based upon regional rates of pay.

CAPITAL BUDGET

With the exception of two major capital programs requiring special funding (the Replacement Hospital and the Food Production Research Complex) the University's capital appropriation in recent years has fallen far below the levels requested by the Board of Trustees. Fiscal Years 1977 and 1978 were especially difficult for the capital programs for all higher education. Table B provides a history of the University's capital budget requests from FY 1975 through FY 1979.

In this context, the FY 1979 capital appropriation appears somewhat improved over the last two years. Governor Thompson has signed legislation (SB 1601) providing the University with a total of \$8.5 million in projects, as described in Table C. This total is some \$2.8 million above the level originally recommended by the governor. However, the final outcome of the capital appropriation process is still uncertain, because the General Assembly failed to approve a bond authorization level sufficient to finance all of the capital projects included in the legislation the governor signed.

The General Assembly will meet in November to consider raising the bond authorization level. If the bond authorization level is raised in November, projects can proceed on schedule. If it is not raised, the remaining funds from the existing authorization will be used to fund a reduced list of projects.

The following sections describe the major projects for each campus approved for FY 1979.

TABLE B
HISTORY OF RECENT CAPITAL BUDGET REQUESTS

	FY 1975	FY 1976	FY 1977	FY 1978	FY 1979
Campus Requests*					
Chicago Circle.....	\$13,890,100	\$ 8,447,100	\$10,939,113	\$12,775,128	\$ 7,788,520
Medical Center.....	9,488,500	8,146,300	7,227,319	10,731,019	12,409,965
Urbana-Champaign.....	20,427,600	23,152,700	16,001,929	26,609,843	16,937,056
Total.....	(\$43,806,200)	(\$39,746,100)	(\$34,168,361)	(\$50,115,990)	(\$37,135,541)
IBHE Recommendations*					
Chicago Circle.....	\$ 2,796,600	\$ 1,109,320	\$ 9,699,428	\$ 3,203,420	\$ 3,311,200
Medical Center.....	3,966,000	5,640,000	4,228,342	4,878,227	5,111,500
Urbana-Champaign.....	9,881,700	9,951,100	5,203,520	11,887,700	13,524,100
Total.....	(\$16,644,300)	(\$16,700,420)	(\$19,131,290)	(\$19,969,347)	(\$21,946,800)
Appropriation*					
Chicago Circle.....	\$ 1,627,100	\$ 1,504,920	\$ 177,500	\$ -0-	\$ 1,715,000
Medical Center.....	3,967,000	4,907,200	148,400	296,800	2,430,000
Urbana-Champaign.....	2,958,600	10,982,900	234,130	1,273,600	4,330,500
Total.....	(\$ 8,552,700)	(\$17,395,020)	(\$ 560,030)	(\$ 1,570,400)	(\$ 8,476,400)
Appropriations for Special Projects					
Replacement Hospital.....	\$ 1,750,000	\$51,250,000	\$ -0-	\$ 6,000,000	\$ -0-
Food Production Research.....	-0-	-0-	-0-	2,450,000	30,473,500
Total.....	(\$ 1,750,000)	(\$51,250,000)	(\$ -0-)	(\$ 8,450,000)	(\$30,473,500)
Total University of Illinois					
Appropriation.....	\$10,320,700	\$68,645,020	\$ 560,030	\$10,020,400	\$38,949,900

* Excludes Replacement Hospital and Food Production Research.

TABLE C
FY 1979 PROJECTS IN SB 1601
AS SIGNED BY THE GOVERNOR

1. Buildings, Additions, and/or Structures. \$	-0-
2. Land.....	-0-
3. Equipment	
Medical Center — SUDMP.....	227,000
Urbana-Champaign — Animal Room Improvements.....	70,200
Urbana-Champaign — English Building Renovation.....	35,000
3a. SR ³ Equipment	
Urbana-Champaign.....	93,000
4. Utilities	
Urbana-Champaign — Central Supervisory Control.....	710,000
5. Remodeling and Rehabilitation	
Chicago Circle — Building Equipment Automation.....	1,010,000
Medical Center — SUDMP.....	1,339,500
Urbana-Champaign — Animal Room Improvements.....	520,000
Urbana-Champaign — English Building Renovation.....	1,500,000
5a. SR ³ Remodeling	
Chicago Circle.....	650,000
Medical Center.....	864,400
Urbana-Champaign.....	1,402,300
6. Site	
Chicago Circle — Pedestrian Safety..	55,000
7. Planning.....	-0-
8. Cooperative Improvements.....	-0-
TOTAL.....	\$8,476,400

Chicago Circle — Three projects totalling \$1,715,000 are included in SB 1601. By far the largest of these is the \$1,010,000 for the Building Equipment Automation project, which will allow addition of some 17 buildings to the campus' centralized monitoring program for building systems equipment such as fans, refrigeration equipment, water heaters, etc. Completing this project will mean that most major campus buildings will be within the system. In addition to the Building Equipment Automation project, \$650,000 was approved for SR³ projects which will be used to repair roofs on three buildings. The final project approved provides \$55,000 as the campus' share of a joint project with the City of Chicago to place a traffic control device at the corner of Morgan and Vernon Park Place.

Medical Center — Three projects totalling \$2,430,900 are included in SB 1601. They are remodeling and equipment funds for continuation of the rehabilitation of the SUDMP building, and \$864,400 for SR³ projects.

Within the SR³ funding, the following projects will be completed: remodeling of the cage washing area in the Biological Resources Laboratory; roof replacement for the Biological Resources Laboratory, miscellaneous remodeling at Rockford School of Medicine; window replacement in the Old Chicago Illini Union Building and the Neuropsychiatric Institute; a variety of building code and safety corrections; modifications to 19 elevators in 8 buildings; and remodeling in the Research Resources Center.

Urbana-Champaign — Seven projects totalling \$4,330,500 are included in Senate Bill 1601. These projects represent equipment and remodeling funds for animal room improvements, equipment and remodeling for continuation of the English Building renovation, equipment

and remodeling for SR³, and the Central Supervisory Control project. The animal room funds (\$590,200) will allow work to begin to upgrade current animal quarters in Morrill Hall and the Animal Science Laboratory to meet federal safety standards. The English Building project (\$1,535,000) represents the second phase of a multi-phased effort to remodel the entire interior of the building. The Central Supervisory Control project (\$710,000) is part of an ongoing effort to add major buildings to the Urbana campus' central monitoring equipment for energy conservation. It is similar to the Building Equipment Automation project at Chicago Circle. Finally, the SR³ appropriation (\$1,495,300) will include the following projects: Kenney Gymnasium Annex and Freer Gymnasium remodeling; electrical systems modernization; ventilation remodeling in the Civil Engineering Building and the Library; Hayes Laboratory remodeling; replacement of the Altgeld Hall elevator; roof, skylight, and gutter repairs in the Architecture Building and Huff Gymnasium; remodeling in Gregory Hall; heating system controls repair and replacement; remodeling in Freer Gymnasium of the consolidation of academic departments; temperature control remodeling in Roger Adams Laboratory, the Army, and the Auditorium, and remodeling in the Law Building.

**FOOD PRODUCTION AND RESEARCH PROGRAM
(FOOD FOR CENTURY III)**

In line with a commitment made in FY 1978, the

General Assembly approved and the governor signed a FY 1979 appropriation of \$28,715,700 for the Food Production and Research Program (Food for Century Three). Included in this appropriation were construction and equipment funds for three major projects begun in FY 1978: the Veterinary Medicine Basic Sciences Building (\$21,027,800); the Agricultural Engineering Sciences Building (\$7,612,900); and equipment for the Veterinary Medicine Research Buildings (\$75,000).

The original FY 1979 request for Food for Century Three included an additional \$1.9 million in equipment funds for the Veterinary Medicine Basic Sciences and Agricultural Engineering Sciences buildings. It was agreed that these funds would not be needed in FY 1979, since construction of the buildings will be in initial stages, and the equipment funds could not be expended until at least FY 1981. It is anticipated that these funds will be included in the FY 1981 and 1982 requests. Similarly, it was agreed that the funds to complete nonbondable items would not be appropriated in FY 1979. When required, the funds will be included in the recurring Operation and Maintenance Support arrangement discussed earlier in the Operating Budget section. Planning funds for the Greenhouse Replacement project, and the balance of funds originally removed from the FY 1978 request by the General Assembly were not added for FY 1979. Table D provides a history of the FY 1979 request for the Food Production and Research Program.

**TABLE D
FOOD PRODUCTION AND RESEARCH COMPLEX (FOOD FOR CENTURY III)
FY 1979 APPROPRIATION
(Dollars in Thousands)**

<i>Category/Project</i>	<i>Board of Trustees Request</i>	<i>IBHE Approved</i>	<i>Amount Appropriated</i>
Buildings			
Veterinary Medicine Basic Sciences.....	\$20,913.2	\$20,913.2	\$21,027.8 ¹
Agricultural Engineering Sciences.....	7,519.2	7,519.2	7,612.9 ¹
Greenhouse Replacement (Planning).....	193.0	-0-	-0-
Veterinary Medicine Research Buildings.....	36.7 ²	-0-	-0-
Subtotal.....	(\$28,662.1)	(\$28,432.4)	
Funds to Complete			
Veterinary Medicine Basic Sciences.....	168.4	168.4	-0-
Agricultural Engineering Sciences.....	94.7	94.7	-0-
Subtotal.....	(\$ 263.1)	(\$ 263.1)	
Equipment			
Veterinary Medicine Basic Sciences.....	1,560.0	1,560.0	-0-
Agricultural Engineering Sciences.....	340.0	340.0	-0-
Veterinary Medicine Research Buildings.....	75.0	75.0	75.0
Subtotal.....	(\$ 1,975.0)	(\$ 1,975.0)	
Utilities			
Veterinary Medicine Basic Sciences.....	10.0	10.0	10.0 ³
Agricultural Engineering Sciences.....	56.1	56.1	56.1 ³
Subtotal.....	(\$ 66.1)	(\$ 66.1)	(\$ 66.1)
Remodeling			
Dairy Farm Consolidation.....	14.6 ²	-0-	-0-
TOTAL.....	\$30,980.9	\$30,736.6	\$28,715.7

¹ Includes utilities; also includes addition of .5% for works of art as directed by new legislation.

² Funds removed by General Assembly from FY 1978 request.

³ Included in Building appropriation.

General Rules Revised by Board of Trustees at May Meeting

REVISION INCREASES ALLOWABLE SICK LEAVE ACCUMULATION FOR ACADEMIC STAFF

The Board of Trustees on May 24, 1978, approved a revised version of the *General Rules Concerning University Organization and Procedure* — the first general revision since December 1957. The new version contained changes of three general kinds:

1. Substantive changes recommended by the President of the University. These changes include recommendations relating to preferential treatment for agencies sponsoring research and distribution of income to inventors in sections dealing with patent matters (described in another article in this issue) and a complete revision proposed by the University Committee on Copyrights and Records in the section dealing with copyrights. In addition, with the concurrence of the University Senates Conference, changes were made in Article III, Section 4, defining allowable sick leave in terms of work days instead of calendar days and increasing the maximum allowable accumulation of sick leave from six months to 180 work days.

2. Amendments already approved by the Board. Information concerning the numerous changes approved by the Board over the past twenty years has appeared

in University publications and in the press and most have been shown in supplementary "tip-in" pages which were distributed widely. But no new printed version has been produced which reflected such changes.

3. Changes brought about by structural and title alterations. The University has experienced extensive organizational change over the past twenty years, primarily due to the advent of the chancellorship system. New units have been organized; some already existing units have been assigned to the campus and some to the University level; and many administrative titles have changed. For the most part, these changes are reflected in the elimination of the first ten sections of the 1957 version of the *Rules* and the substitution thereof of a general overview of the organization of the University and the campus and the functions of the general administration of the University. However, the effect of such organizational changes is found throughout the new version of the *Rules*.

Copies of the revised *General Rules* are available through the chancellor.

General Rules Revision Benefits University Inventors

DISTRIBUTION AGREEMENT GIVES INVENTORS INCREASED PROPORTION OF PATENT INCOME

From time to time during the normal operation of a university, an idea will emerge that might be valuable to a large number of users. The Board of Trustees of the University of Illinois has considered such eventualities and has adopted policies and procedures to be followed in order to commercialize inventions. The University encourages development of useful and valuable inventions by arranging payment of the costs of patenting, by assisting as much as possible with necessary paperwork, and by marketing and licensing the invention. It then distributes a part of any income to the inventors.

In a meeting on May 24, 1978, the Board of Trustees adopted revised *General Rules Concerning University Organization and Procedure*, and one of the major revisions was the determination by stated formula of the amount of patent income to be distributed to inventors.

The inventor will now receive 50 percent of the first \$50,000 net income, 35 percent of the next \$50,000, and 20 percent thereafter. The formula shall apply to the net income received by the University of Illinois Foundation, or the net income available to the foundation or to the University after all costs and expenses of securing a patent and of development and administration of a patent. The dollar values are cumulative regardless of the time of receipt.

This revision will result in a general increase to the inventor of 27.5 percent on the first \$100,000 net income over previous distribution agreements.

A one-page handout entitled "Guidelines for Preparing an Invention Disclosure" is available from the chairman of the Research Board at each campus or from any member of the University Patent Committee.

State Health Insurance Plan Expands Benefits July 1

UNIVERSITY BENEFITS OFFICE REPORTS MORE CHARGES PAID UNDER HIGH, LOW OPTIONS

Benefits under the state group health insurance plan are greatly improved. For instance, there is an increase in the hospital room and board rate to be paid as well as increased benefits related to coverage under Medicare. Many of the new improvements in the group health insurance plan were proposed in fall 1977 by representatives of the University of Illinois Insurance Office par-

ticipating in State Employees Group Insurance Advisory Commission meetings. Through their efforts, more charges are paid under both high-option and low-option coverage.

All University faculty and nonacademic staff employed at 50 percent time or more and eligible to participate in the State Universities Retirement System re-

cently reenrolled in the group health and life insurance plan, with coverage under the expanded benefit program beginning July 1, 1978.

With medical costs increasing on every side, it is a pleasure to report that the group health insurance premiums for the high-option and low-option (one dependent) plans actually went down, and that premiums for the low-option (two or more dependents) plan only went up 14 cents per month.

HIGH OPTION BENEFITS

All eligible University faculty and nonacademic staff receive high-option group health insurance coverage without charge, and many elect such coverage for their dependents. Following are highlights under the new high-option plan.

Hospital Room and Board

Before July 1, 1978, if your hospital room and board rate was more than \$125 per day, you had to pay the difference. Now, if the charges are more than \$125 per day, you pay a one-time-per-year \$50 deductible (it is the same \$50 deductible used for prescription drugs) and the group health insurance plan pays 80 percent of the difference between \$125 per day and actual rate charged.

Surgery Claims

Before July 1, surgery claims were paid at the rate of 80 percent of usual, reasonable, and customary charges of the first \$1,000, 90 percent of the next \$2,000, and 100 percent for charges over \$3,000. The benefit has been improved to pay 80 percent of the first \$1,000 of usual, reasonable, and customary charges, and 100 percent of any remaining charges.

Physician Fees

Formerly eligible physician fees were paid the same way as surgery charges. Since July 1, there is an annual \$100 deductible for physician fees, then reimbursement at 80 percent through \$1,000, and 100 percent thereafter. Under the improved benefit, routine office visits will be covered; previously these were covered only after \$200 of expense, and then at only 50 percent of the charges.

Prescription Drugs

Prior to July 1, prescription drugs, physical therapy, and medical equipment costs each had an individual \$50 deductible. Once this was satisfied, reimbursement was 80 percent for the first \$1,000 of claims, 90 percent for the next \$2,000, and 100 percent thereafter. Now, staff can get more money back. Prescription drugs and other medical costs have been combined into what is termed "major medical" with only one \$50 deductible. This is

followed by a reimbursement of 80 percent through \$1,000, and 100 percent of the charges thereafter.

Medicare

A major improvement has been made for staff with Medicare benefits. Before July 1, staff paid a deductible and 20 percent of the charges. Since July 1, a person enrolled in Medicare and the group health insurance plan normally will not be required to pay any deductible or coinsurance amounts.

LOW OPTION BENEFITS

There are also many improvements to the group health insurance plan for those who elected low-option coverage for their dependents.

Major Medical

Prior to July 1, major medical had an all-inclusive \$100 deductible. Then payments were as follows: 80 percent of the charges up to \$15,000, 100 percent of the next \$10,000, with a maximum of \$25,000 per contract year. Since the new contract year started July 1, all this remains the same except for the maximum; it has gone up to \$250,000 per contract year.

Obstetrician Fee

Payment for the obstetrician fee paid by the group health insurance plan has gone up \$25 for a normal delivery, that is to \$200, and that paid for caesarean section has increased by \$100, that is to \$400.

HANDBOOK, CLAIMS, COUNSELORS

The above highlights some of the changes made in the state group health insurance plan; there are more. You are urged to read your Illinois State Employees Group Insurance Program handbook for complete details. These books are available on a limited basis in the University Benefits Center at the UIUC campus and in the insurance offices of the UICC and UIMC campuses. As more handbooks are received by the University they will be mailed to faculty and nonacademic staff.

Those with claims problems at the UIUC campus may dial a new local phone number (359-3594) that will connect with a Blue Cross/Blue Shield claims representative in Springfield. Those at the UICC and the UIMC campuses should continue to call the Chicago Blue Cross/Blue Shield telephone number which appears in the group health insurance program handbook.

Faculty and nonacademic staff are encouraged to telephone the Benefits Center or Insurance Office to talk with one of the counselors concerning questions about any aspect of group health insurance plan benefits. Telephone numbers follow: Chicago Circle, 996-2870; Medical Center, 996-6470; Urbana-Champaign, 333-3111.





FACULTY LETTER

FROM THE OFFICE OF THE PRESIDENT · UNIVERSITY OF ILLINOIS

No. 277, October 4, 1978

President Corbally's Resignation

TEXT OF LETTER ADDRESSED TO THE HONORABLE G. W. HOWARD III, PRESIDENT OF THE BOARD OF TRUSTEES

September 1, 1978

Dear Bill:

I have been contemplating my personal career plans for some time, particularly because of my belief that one's tenure in a chief executive's position in a major and comprehensive organization should not exceed six to eight years. By August 31, 1979, I will have served a total of ten years in university presidencies — two years at Syracuse University and eight years at the University of Illinois. While such a position always will contain more unfinished than finished business, there are a number of accomplishments at Illinois in which I take some pride. I do feel, however, an increasing sense of repetitiousness in the tasks of my position. It is, then, clearly time for me to develop new career opportunities which I can undertake with a renewed enthusiasm.

I have great respect and affection for the University of Illinois and I have explored with appropriate individuals the possibility that I might join the faculty at Urbana-Champaign. I am pleased to know that the possibility is available to me. The University of Illinois Foundation is about to undertake a major capital funds campaign. While the leadership of that campaign will need to come from the Foundation staff and especially from the President of the University, I believe that with the concurrence of the President and of the Foundation staff I can be of assistance in that effort. I could and would explore other ways in which I might be of assistance to the University, but my primary goal is to return to teaching, research, and outreach activities in the academic fields of educational administration, higher education, and educational policy. It is this work for which I prepared myself through graduate work and to which I have devoted only about three years since joining the faculty at Ohio State in 1955.

I believe that under our policies I would be eligible for an administrative or sabbatical leave which I would request for the academic year 1979-80. It is then my in-

attention to accept a faculty position at Urbana-Champaign in August, 1980. My resignation as President of the University of Illinois would be effective on August 31, 1979.

One of the difficult tasks facing a university president who is confident in and who enjoys the confidence of those with whom he works is to decide when the time has come that new leadership, new vigor, new ideas, and even a new personality will benefit the university. There is a strong tendency to develop a sense of well-being and of indispensability which persuades one to overlook clear signs that the time has come for a change of positions for the president and for a change of leadership for the institution. It is also clear that many will seek higher motives or causes for such a decision because of their inability and unwillingness to understand the demands of such a position and the limits upon an individual's ability to meet those demands with the constant peak effort they require and deserve.

I want to assure you and my other colleagues on the Board of Trustees and my friends and colleagues within the University that there are no hidden motives for my decision. The Board of Trustees has been, is, and I am sure will continue to be supportive of me as an administrator and as a person. I sense a great deal of support from the faculty, staff and students of our three campuses. I simply find myself in need of and ready for a change. In justice to what I consider to be the best position available in the administration of higher education — the presidency of the University of Illinois — I believe that the time for that change will be here on August 31, 1979. I intend to pursue my duties vigorously during 1978-79 and look forward to another excellent year for our University of Illinois.

With warm regards and with appreciation.

Sincerely,
JOHN E. CORBALLY

Board of Trustees Reaffirms Position on Discrimination

TEXT OF RESOLUTION APPROVED BY THE BOARD OF TRUSTEES AT ITS MEETING ON SEPTEMBER 20, 1978

RESOLVED by the Board of Trustees of the University of Illinois that it reaffirms its commitment and policy (a) to eradicate prohibited and invidious discrimination in all its forms; (b) to foster programs within the law which will ameliorate or eliminate, where possible, the

effects of historic societal discrimination; and (c) to comply fully in all University activities and programs with applicable federal and state laws relating to non-discrimination and equal opportunity.

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FACULTY LETTER

FROM THE OFFICE OF THE PRESIDENT · UNIVERSITY OF ILLINOIS

No. 278, October 18, 1978

OCT 27 1978

UNIVERSITY OF ILLINOIS
AT URBANA-CHAMPAIGN
GENERAL RULES

New Copyright Law Affects Policy

TEXT OF REVISED COPYRIGHT PROVISIONS FROM UNIVERSITY'S GENERAL RULES

The *General Rules Concerning University Organization and Procedure* have been amended in the light of the new Copyright Law (Public Law 94-553, 94th Congress, 17 USC 100 *et seq.*). The vice-president for administration has been given responsibility for copyrighting and marketing copyrightable works belonging to the University, other than those administered by the University Press.

It is important that staff members become familiar with the new *General Rules*, which also set forth policies related to the PLATO system usage and developments. Accordingly, the text of Article 11, Section 9 ("Copyrights") of the *General Rules* follows:

SECTION 9. COPYRIGHTS

- (a) Copyright in a work protected under the federal Copyrights Act (Public Law 94-553, 94th Congress, 17 USC 101 *et seq.*), vests initially in the author or authors of the work.
- (b) In the case of a "work for hire," the employer or other person for whom the work was prepared is considered the author. Accordingly, except as otherwise specifically provided in this Section, the University shall have all ownership rights in "works for hire" as herein defined.
- (c) A "work for hire" is (1) a work prepared by a University employee within the scope of his or her University employment; or (2) a work specifically ordered or commissioned if the University and another party expressly agree in a written instrument signed by them that the work shall be considered a "work for hire" or otherwise owned by the University.
- (d) With respect to employees in the academic ranks recognized in Article IX, Section 3c, of the *University of Illinois Statutes*, a "work for hire" does not include individually produced material such as books, articles, theses, dissertations, art objects, or musical compositions, except when a member of such academic rank is specifically commissioned in writing by the University to prepare the work, or except when the terms of the University grant or contract, if any, under which the work is being prepared provides that the granting or other party shall have ownership rights.
- (e) The original records of an investigation for a graduate thesis or dissertation are the property of the University but may be kept by the student at the discretion of the student's major department. The completed thesis or dissertation is the property of the University. The right to publish and copyright the thesis or dissertation shall remain with the author.
- (f) PLATO lessonware. Policies governing ownership, copyright, and royalty distribution differ for various authors and may be governed by (c) (2) above. The policies are summarized in paragraph (k) of this section.
- (g) The administration of University-owned works and copyrights will be as follows:
 - (1) *University Press Publications*. The University Press shall be responsible for copyrighting the works owned by the University and published by the Press, and for administering contracts with authors. Such contracts shall define the rights and obligations of the author and of the University, and shall state the basis on which royalty payments are to be made to the author and the basis on which receipts from the sale of secondary rights — reprints, foreign translations, serial, dramatic, motion pictures, radio, television — are to be divided between the University and the author. A copy of the printed agreement in use by the Press shall be made available upon request.
 - (2) *Other Copyrightable Works*. The Vice-President for Administration shall be responsible for copyrighting and marketing copyrightable works belonging to the University other than those administered by the University Press. Each campus shall be responsible for establishing a mechanism for regularly transmitting to the Vice-President for Administration lists of all

works that bear a copyright notice and three copies of each work immediately upon its publication.

- (3) On the recommendation of the Vice-President for Administration, the Comptroller and Secretary are authorized to execute on behalf and in the name of the Board of Trustees contracts for marketing of University-owned copyrightable work when the estimated net receipts under any single contract do not exceed \$10,000 in any 12-month period.
- (h) Materials and copyrights belonging to the University shall be noticed and registered in the name of The Board of Trustees of the University of Illinois and not in the name of the unit or individual(s) who prepared the work.
- (i) The University, on copyrights owned by it, may assign to the author(s) or developer(s) a proportionate share of the net income, that is, the income after deducting expenses directly attributed to marketing or other requirements for use and sale of materials outside the University.
- (j) A University Committee on Copyrightable Works, appointed by the President, will review the circumstances involved in any case that might arise under (i) and make recommendations to the President and the Board of Trustees.
- (k) The PLATO system is a highly sophisticated and effective system of computer-based education. A large number of computer-based lessons have been produced on this system by authors at the University of Illinois and at other institutions. This portion of the *General Rules* described policies for ownership, copyrights, and royalties as they apply to PLATO lessonware. Established policies, as set out elsewhere, are intended to apply to other materials, independent of the policies for lessonware and associated materials.
 - (1) *Definitions.*
 - a) "PLATO system" shall mean a computer-based system comprising one or more central computers and one or more interactive Display Terminals and/or Plasma Display Terminals remotely located therefrom and in communication therewith, which system is covered wholly or in part by the claims of U.S. Patent No. 3,405,457.
 - b) "Lessonware" and/or "Courseware" shall mean all materials developed for the purpose of presenting instruction or information via or associated with the PLATO system developed by the University of Illinois, or any future developments or enhancements thereof. These materials shall include, but are not limited to, the following:
 - 1) Lessons and/or units in a form readable by the PLATO system software and/or associated software.
- 2) Ancillary materials, produced by the Author, necessary or supplementary to the lessons or units which are developed for use with one or more lessons or units. Such materials shall include, but are not limited to:
 - i) Course syllabi
 - ii) Microfiche materials and/or other photographic presentation materials
 - iii) Audio/visual materials, both computerized and for other media
 - iv) Course workbooks
 - v) Course handbooks and/or similar printed materials for use by students, authors, or instructors
 - vi) Evaluation materials and any account of the pedagogical methodology used in testing, diagnostic, or prescriptive activities related to the use of such materials
 - vii) Programs developed for the management of lessons or units or for linking the delivery of instruction to other media or education prescriptions, both computer-based and non-computer-based
- c) "Participating Institution" shall mean any other institution or organization which leases or purchases PLATO terminals connected to the University of Illinois PLATO system, and which pays the full costs associated with the provision of such access to such system.
- d) "Joint Venture Institution" shall mean any institution or organization which collaborates with the University in a program which utilizes the University's PLATO system and which shares the costs of such program with the University.
- e) "Author" shall mean any person who has or is given access to the University of Illinois PLATO system for the purpose of producing Lessonware. This document is intended to cover Lessonware produced by a variety of Authors defined as follows:
 - 1) "Noncommissioned Author" shall mean any Author who is an employee or student of the University of Illinois, but who is not specifically commissioned by the University or one of its departments or units to produce Lessonware.
 - 2) "Commissioned Author" shall mean any Author who is employed by the University to produce Lessonware or is given released time by the University for the purpose of producing Lessonware.
 - 3) "Other Author" shall mean any Author who is not an employee or student of the University and who is given access by

the University, at no charge, to the University's PLATO system.

- 4) "Participating Institution Author" (PI Author) shall mean any Author employed by, or given access to, the University's PLATO system by a Participating Institution.

The policies governing ownership, copyright, and royalty distribution differ for the various types of Authors as defined above. These policies are summarized in accordance with the type of Author in the following section.

(2) *Policies for Various Author Types.*

- a) Noncommissioned Author. As a condition to receiving access to the University of Illinois PLATO system, Noncommissioned Authors shall agree to transfer to the University full right, title, and interest in and to all Lessonware developed by the Noncommissioned Author, including all copyrights and intellectual rights in and to such Lessonware. The Noncommissioned Author shall have the sole right to designate whether or not the Lessonware developed by such Author is suitable for and ready for distribution. The University shall have a period of seven (7) months, except that, in the case of Lessonware developed prior to May 1, 1976, the University shall have twenty-five (25) months, from the date of such designation, to elect to act as the distributor or marketer of such Lessonware. In the event the University elects to so act as distributor or marketer, the above transfer of rights to the University shall become irrevocable and perpetual and the University shall have the right to determine in its sole and nonreviewable discretion, the time and manner of distribution or marketing, if any, and the amount of royalties to be charged.

The University may use Lessonware for its educational or internal activities without payment therefor. In addition, the University may make Lessonware available to others, without payment, for use on an experimental PLATO system operated by the University.

In the event the University elects not to act as such distributor or marketer within the specified period, all rights to such Lessonware, including ownership and all rights of assignment, and collection of royalties, etc., will be assigned and transferred to the Author, provided, however, that, in all events, the University shall retain a royalty-free, nonexclusive, unrestricted, irrevocable, and perpetual license for use of such Lessonware on PLATO systems operated by the

University of Illinois and provided that the Author shall pay to the University twenty-five (25) percent of any gross royalty income that might be received by the Author subsequent to such assignment and transfer.

In the event the University elects to act as distributor or marketer, Noncommissioned Authors shall receive seventy-five (75) percent of gross royalties received by the University for use or sale of such Lessonware. In exceptional cases, and by mutual agreement of the Noncommissioned Author and the University, the percentage distribution of royalties may be altered so as to improve the benefit to both parties.

At any time after the election by the University to act as distributor or marketer of Lessonware, the University may give written notice to the Author of its intention to discontinue marketing or distributing such Lessonware and immediately upon such notification the University shall have no further obligations of any nature to market or distribute such Lessonware. The University will assign and transfer to the Author, without warranty of any kind, the University right, title, and interest in and to such Lessonware. Such assignment and transfer shall be subject to the following conditions and provisions:

- 1) The University receive, within six (6) months of the notification to the Author of the University's intent to discontinue marketing or distributing such Lessonware, the Author's written request to transfer title.
- 2) The University shall receive twenty-five (25) percent of gross income received by the Author in relation to the use of such Lessonware that results subsequent to the assignment and transfer of Lessonware rights to the Author.
- 3) The University shall retain an irrevocable, unrestricted, perpetual, nonexclusive, and royalty-free license for use of such Lessonware on PLATO systems operated by the University.
- 4) The assignment shall be subject to any rights, licenses, and sublicenses granted by the University to third parties and which are outstanding at the time of such assignment. The University shall continue to be obligated to distribute royalties received with respect to any such continued use of such Lessonware in the same amounts and upon the same terms as provided for elsewhere.

The Noncommissioned Authors shall agree to diligently affix the words,

"Copyrighted by The Board of Trustees of the University of Illinois," to all Lessonware produced by the Author, to take such other action as the University may request to assure protection and registration of copyright and renewals thereof, to cooperate in the prosecution of infringers, and to take other actions required or requested to effectively market and distribute Lessonware.

The Noncommissioned Author shall agree to promptly correct all errors which are of a technical nature. In the event the Noncommissioned Author fails to correct such errors, the University shall have the privilege of correcting such errors and to withhold and retain the Noncommissioned Author's share of future royalty income in the amount of the cost of such correction. The Noncommissioned Author shall have the sole right to determine whether or not errors or claims of errors in the intellectual content or the Lessonware shall be corrected.

The Noncommissioned Author will be required to warrant that the Lessonware, submitted to the University for consideration for marketing or distribution, shall be the original work of the Author and free from infringement of existing copyright. If the Noncommissioned Author incorporated copyrighted materials in such Lessonware, the Noncommissioned Author shall provide proof of release from copyright holder. Further, the Noncommissioned Author shall be required to agree to take no action or enter into any agreements or arrangements, under which any other person or organization might develop rights in Lessonware, without the prior written approval of the University.

- b) Commissioned Authors. The policies for Lessonware produced by Commissioned Authors, and the obligation of Commissioned Authors, are the same as those set forth for Noncommissioned Authors in Section (2) a) above, with the exceptions that the University of Illinois has the right to designate that Lessonware is suitable for and ready for distribution, that the percent of gross royalties received by the University to be distributed to Commissioned Authors shall be forty (40) percent, and that the University shall have the right to correct errors of a technical nature and/or errors in intellectual content.
- c) Other Authors. The policies for Lessonware produced by Other Authors, and the obliga-

tions of Other Authors, are the same as those set forth for Noncommissioned Authors in Section (2) a) above, with the exception that the percent of gross royalties received by the University to be distributed to Other Authors shall be twenty (20) percent.

- d) PI Authors. The Participating Institution shall be provided the opportunity to request that the University represent the Participating Institution for the purpose of marketing distributing Lessonware. If the Participating Institution requests and the University agrees to provide such representation, the policies for Lessonware shall be the same as those set forth for Noncommissioned Authors in Section (2) a) above, with "Participating Institution" substituted for "Noncommissioned Author" or "Author" in such section, and with the exception that the University will not participate in royalty income received for use of Lessonware that reverts to the Participating Institution.

If the Participating Institution does not request the University to provide such representation, the Participating Institution will retain all rights in all Lessonware produced by PI Authors, except that, in all events, the University shall retain a royalty-free, nonexclusive, irrevocable, unrestricted, and perpetual license for use of such Lessonware on PLATO systems operated by the University of Illinois.

- e) Joint Venture Authors. The institution employing Joint Venture Authors will be provided the opportunity to request that the University represent such institution for the purpose of marketing and distributing Lessonware. If such institution requests and the University agrees to provide such representation, the policies for Lessonware shall be the same as those set forth for Noncommissioned Authors in Section (2) a) above, with the "Joint Venture Institution" substituted for "Noncommissioned Author" or "Author" in such section.

If such institution does not request the University to provide such representation, such institution will retain all rights in all Lessonware produced by Joint Venture Authors, except that, in all events, the University shall retain a royalty-free, nonexclusive, irrevocable, unrestricted, and perpetual license for use of such Lessonware on PLATO systems operated by the University of Illinois and with the exception that no gross royalties generated by the Joint Venture Institution's marketing or distribution of such Lessonware shall be shared equally between the University and the institution.

- (3) *University Seal of Approval.* The University may establish review bodies, similar to the Press Board, to review Lessonware developed by Non-commissioned and Commissioned Authors and submitted by the Author for such review. Reviews may lead to the granting of a "University Seal of Approval." Failure to obtain this seal will not imply that the University will not market or distribute Lessonware—it shall be, rather, an additional indicator of quality. Other persons or institutions using the University system may be encouraged, but not required, to seek the "University Seal of Approval" for lessons offered for distribution.
- (4) *Foreign-Language Translations.* The University shall have the right to prepare or have prepared foreign-language versions of Lessonware which it distributes or markets. One-half of gross royalties on such foreign-language versions may be retained by the University to recover

translation expenses, until such expenses have been fully recovered. During and after this period, remaining gross royalties shall be distributed between the University and the Author according to the percentage applicable to the original Lessonware. The original Author shall be notified and given an opportunity to inspect the translated version before it is distributed.

- (5) *Marketing of Similar Lessonware.* The University shall decide to act as the marketer or distributor of Lessonware on an item-by-item basis. Other Lessonware covering the same or similar subject matter may simultaneously be distributed or marketed by the University.
- (6) *Exception for Particular Contracts and Grants.* These policies are subject to exceptions approved by the University in accepting particular contracts and grants such as these for PLATO development.

State Group Life Insurance Plan

INCREASE IN BENEFITS/REDUCTION IN COSTS

Changes were recently made in the State Group Life Insurance Plan which in many cases reduced premium rates and increased insurance amounts. All University faculty and staff employed at 50 percent time or more and eligible to participate in the State Universities Retirement System recently reenrolled in the group health and life insurance plan, with newly elected coverage beginning July 1, 1978.

In the September 15, 1978, *Faculty Letter* we announced, "It is a pleasure to report a reduction in premium for the group health insurance plan." and we are now pleased to announce the following changes in the life insurance program:

1. A reduction in premium for the employees' optional life insurance plan.
2. A reduction in the rates for the children's optional life insurance plan.
3. An increase in the benefit amount for the spouse and children's optional life insurance plan.

EMPLOYEE BASIC LIFE BENEFITS

Eligible employees (including disability recipients) and immediate annuitants under age 56 are provided life insurances equal to one-half their annual salary, rounded up to the next higher \$100. For full-time employees, the minimum is \$2,000. At age 56 the amount of basic life insurance is reduced 20 percent, with further reductions of 20 percent on each subsequent birthdate, to a minimum of \$2,000. When an eligible employee elects retirement under the State Universities Retirement System, the minimum basic life insurance coverage continues to be provided without cost.

EMPLOYEE OPTIONAL LIFE BENEFITS

Employees qualifying for the state life insurance bene-

fit may elect optional life insurance equivalent to one-half their annual salary. At age 61, the 20 percent annual reduction procedure described above applies, with a minimum of \$2,000 at age 65 or sooner.

The premium for this life insurance benefit is paid by the employee through a payroll deduction, and as of July 1 this premium was reduced approximately 9 percent to 56 cents per thousand. Other than during an open enrollment, coverage may be acquired by completing an Evidence of Insurability application.

SPOUSE OPTIONAL LIFE BENEFIT

Employees, immediate annuitants, and their survivors may elect spouse life coverage equal to 50 percent of the amount of total life insurance coverage (basic plus optional) in force on the life of the member (excludes any accidental death and dismemberment), but limited to a maximum of \$5,000. The premium for this life insurance benefit is paid by the employee through a payroll deduction, and as of July 1 the premium increased to 64 cents per thousand. Except during the first 30 days of employment or an open enrollment, you will be required to complete an Evidence of Insurability application to participate in the plan.

DEPENDENT CHILD(REN) LIFE BENEFIT

Employees, immediate annuitants, and their survivors may elect child life coverage equal to 50 percent of the total life insurance coverage (basic plus optional) in force on the life of the member (excludes any accidental death and dismemberment) to a maximum of \$2,000, except:

1. Each eligible dependent child under 14 days of age has no benefits.
2. Each eligible dependent child age 14 days to 6 months will have \$100 in benefits if elected.

As of July 1, 1978, the insured amount increased \$1,000, and the premium decreased 40 percent to 30 cents per thousand. As with the other optional coverages, the premium for this life insurance benefit is paid by the employee through a payroll deduction. Except during the first 30 days of employment or an open enrollment, completion of an Evidence of Insurability application will be required to participate in the plan.

ACCIDENTAL DEATH AND DISMEMBERMENT LIFE BENEFIT

Employees, immediate annuitants, and their survivors may elect accidental death and dismemberment equal to either of the following:

1. Amount of the basic life benefit.
2. Amount of the combined basic and optional life benefits (optional life must have been elected).

HANDBOOK, APPLICATIONS, COUNSELORS

The above highlights some of the changes made in the State Group Life Insurance Plan. You are urged to read your Illinois State Employees Group Life Insurance Program handbook for complete details. The new life insurance handbook is also a first; in the past the life insurance description has appeared in a combined handbook with the Illinois State Employees Group Health Insurance. The new books are available in the University Benefits Centers on your campus.

Faculty and staff members are encouraged to telephone or visit the Benefits Center with any questions on the group life insurance plan. Telephone numbers are: Chicago Circle, 996-2870; Medical Center, 996-6470; Urbana-Champaign, 333-3111.



FACULTY LETTER

FROM THE OFFICE OF THE PRESIDENT · UNIVERSITY OF ILLINOIS

No. 279, November 15, 1978

State Universities Retirement System Affects Social Security Dependent and Survivor Benefits under New Law

Recent changes in the Social Security law provide for the offset of Public Retirement benefits against the dependent and survivor benefits of Social Security. A University employee who will receive a retirement benefit from the State Universities Retirement System and who will receive a wife's, husband's, widow's, widower's, mother's, or father's Social Security insurance benefit may be affected by the change. If affected by the change, the survivor or dependent benefit from Social Security would be reduced dollar for dollar by the amount received from the State Universities Retirement System in the form of a retirement check, based on the *individual's own earnings*. It is important to note that the offset will apply only to pension payments based on the spouse's own work in public employment which is not covered under Social Security.

Exception to the Pension Offset Provision

A transitional clause applies to the offset provision, stating that an exception is provided for those people (women and dependent husbands and widowers) who, within the sixty-month period beginning with the month of enactment (December 1977) become eligible for a non-Social-Security-covered pension, and at the time the individual files for or becomes entitled to Social Security spouse's or surviving spouse's benefits, can qualify for Social Security benefits under the law as it was administered on January 1, 1977 (with one-half support retirement proof needed for men). Thus the offset will not apply if any time prior to December 1, 1982, an employee reaches age sixty-two and has five, six, or seven years in the State Universities Retirement System, or age fifty-five and has eight or more years in State Universities Retirement System.

Examples as It Applies After November, 1982

Example one:

- Husband *working* under Social Security at place of employment.
- Wife worked for U. of I., retired, and is receiving State Universities Retirement System benefit.
- Husband dies, so wife is eligible for survivor benefit

under Social Security; however, under new law the Social Security survivor benefit would be offset by her State Universities Retirement System retirement benefit.

Example two:

- Husband *retires* after working under Social Security at place of employment.
- Wife worked under Social Security prior to her employment with the U. of I. and is eligible to receive minimum Social Security benefits. Wife's portion of husband's Social Security is higher than her own benefit so she receives Social Security under husband's benefit. Wife is receiving retirement benefit from State Universities Retirement System amounting to more than the wife's portion of husband's Social Security.
- In this case, under the new law, wife's amount under her husband's Social Security would be offset by her State Universities Retirement System retirement benefit. She would then be able to claim her lesser personal Social Security retirement benefit.
- If wife did not have personal Social Security retirement benefits, she would not have been eligible for any Social Security retirement benefits due to the offset.

Careful Planning Advised for Many

It becomes very evident that careful planning should take place by those employees who will become eligible for a benefit as a dependent or survivor under their spouse's Social Security account; however, it is still premature to make any final retirement-related decisions until we are closer to the actual offset date. It is possible that future legislation or court decisions could affect the offset decisions before 1982. Future articles will appear in this publication as new developments occur.

Faculty and staff are encouraged to call your Benefits Center and talk with one of the counselors concerning any questions you might have about the new Social Security provision, or benefit questions in general. Telephone numbers are: Chicago Circle, 996-2870; Medical Center, 996-6470; Urbana-Champaign, 333-3111.

Action on Selection of President of the University

The Board of Trustees at its meeting at Allerton House October 20 took additional action on the selection of a president for the University pursuant to its action of October 3.

The Board confirmed the following members of the Consultative Committee to assist in the selection of a president under the chairmanship of Martin Wagner, professor of labor and industrial relations, Urbana-Champaign, and faculty member-at-large on the committee:

I. Faculty Members: Medical Center, Mary E. Bevis, associate professor of medical-surgical nursing, and George E. Miller, M.D., professor of medical education in the Center for Educational Development and coordinator of international activities, Office of the Vice-Chancellor for Academic Affairs; Chicago Circle, Philip Dwinger, professor and head of the Department of Mathematics, and Harriet Talmage, professor of urban education research and director of the Office of Evaluation Research; Urbana-Champaign, Theodore L. Brown, professor of chemistry, and David Gottlieb, professor of plant pathology.

II. Students: Medical Center, Joseph H. Gaziano, third-year medical student; Chicago Circle, Joseph Maltese, junior (Liberal Arts and Sciences); Urbana-Champaign, Mark McClees, graduate student (Sociology).

III. Faculty Member-at-Large: Martin Wagner, professor of labor and industrial relations, Urbana-Champaign.

IV. Members of the Nonacademic Staff: Medical Center, Beverly Lehmann, administrative aide, Director of Payroll Services; Chicago Circle, Patrick T. Hughes, plant operating engineer; Urbana-Champaign, John A. Saldeen, electronics engineer, School of Chemical Sciences.

V. Administrative Officers: General Administration, Ronald W. Brady, vice-president for administration; Medical Center, Alexander M. Schmidt, M.D., vice-chancellor for health services; Chicago Circle, Elmer B. Hadley, dean of the College of Liberal Arts and Sciences; Urbana-Champaign, Orville G. Bentley, dean of the College of Agriculture.

VI. Academic/Professional Members: Medical Center, Gust E. Hermanson, assistant for fiscal affairs to the Dean of the College of Dentistry; Chicago Circle, James J. Overlock, director of university services; Urbana-Champaign, Julian M. Frankenberg, director of the Health Professions Information Office, in the Office of the Dean of Students.

VII. Representatives of the University of Illinois Alumni Association and the University of Illinois Foundation: Henry B. Blackwell (Indianapolis, Indiana), president, University of Illinois Alumni Association, and William G. Karnes (Chicago), president, University of Illinois Foundation.

The Board at a meeting in Urbana on October 3 approved the charge to the Consultative Committee which is as follows:

In addition to establishing the Consultative Committee it is necessary for the trustees to specify the charge of the committee and the general procedures within which it will operate:*

Although the several broad constituencies of the University are reflected in the structure of the committee, in no sense does the Board regard the members as "representatives" or "delegates" of any single interest group. Rather, each member is expected to serve as an individual, exercising his or her own best judgment in the interest of the University of Illinois as a whole.

The committee's first task will be to recommend criteria to be used as the basis of judging the qualifications of candidates for the office of President of the University; and second, to assemble a list of names of individuals judged to be suitable for the position. (In this regard, the trustees urge the committee to give careful consideration to the "guidelines" developed by the Consultative Committee of 1970-71 and approved by the Board on July 22, 1970.) The several constituencies of the University should be invited to suggest suitable possible candidates, and suggestions might be sought from other appropriate sources, including other institutions of higher learning. The trustees will of course maintain a continuing interest in the identification of outstanding candidates and may wish to suggest names.

Soon after the committee has been organized, the trustees will arrange a meeting with it, to discuss and fix criteria to be used in judging candidates and procedures to be followed in later stages of the search. The trustees will follow, and expect the committee to follow, all of the regular University affirmative action policies in the conduct of the search and the appointment of a president of the University.

After a list of possible candidates has been assembled, the committee should conduct a preliminary screening designed to identify a number of individuals judged to be the most promising in the list. Detailed information should then be secured concerning these individuals, initially from public records such as professional directories and bibliographic sources.

At this point, care should be taken neither to approach prospective candidates nor to solicit formal evaluations of candidates by non-University persons, inasmuch as such inquiries may prove to be embarrassing to the candidates or to the University. Informal inquiries may be made by the committee, but only with clearance from the president of the Board of Trustees, and it should be made clear that the search is in a preliminary stage and that no approach has yet been made to any candidate.

In this connection, the trustees emphasize the importance of careful coordination and channeling of all committee communications concerning candidates through the chairman of the committee, who is charged with the responsibility of keeping the Board fully informed — and who, in turn, will be kept informed by the Board. It is anticipated that the Board will receive progress reports, at least on a monthly basis, from

* The committee is expected to develop its own rules and internal procedures within the limits of this charge and after consultation with the Board of Trustees.

the chairman of the committee in person. (The Board will wish to have the benefit of the views of all members of the committee, including "minority" views, if any. However, all communications should be transmitted to the Board as a whole and through the committee chairman.)

After a review of the credentials of the reduced list of candidates, the committee should provide the trustees with a panel of names of individuals who appear to be most promising. A meeting will then be arranged by the Board of Trustees to discuss candidates and the procedures to be followed in approaching them.

The trustees assume as a clear objective that the Board and the committee will seek consensus in the final selection. As

indicated in part I of this document, the trustees have the responsibility of making the final decision. Although it will be the responsibility of the Board to approach final candidates and to conduct all negotiations, the Board will seek such assistance from the committee in these matters as the Board may feel necessary.

It is axiomatic that discretion and confidentiality are required of all committee members. The committee's usefulness to the Board is dependent upon this general requirement, and acceptance of it is a condition of membership on the committee. The trustees also require that all communications with the press be channeled through the secretary of the Board, who will act at the direction of the president of the Board.

President's Assembly on State Policy Research

Cooperation between University of Illinois faculty and state government officials in matters of public policy research was the theme of a University-wide faculty conference held October 4-6, 1978, in Crete, Illinois. Sixty-four faculty, together with a number of state officials, met over a two-day period to discuss ways to bring University faculty concerned with Illinois public policy research together with state government units or agencies concerned with those policies. The President's Assembly on State Policy Research at the University of Illinois was organized by the State Government/University Relations Committee which is chaired by Samuel K. Gove, director of the Institute of Government and Public Affairs. The assembly was supported by a grant from the Joyce Foundation. Professor Gove noted that, while there has been considerable cooperation between state agencies and the University in the past, it has been "hit or miss," and needs to be a little more systematic. The findings from the assembly are noted below.

At the close of their discussions, the participants viewed as a group the following statement. The statement represents general agreement. It should not be assumed, however, that every participant subscribes to every part of the statement.

As a land-grant institution, the University of Illinois seeks to be responsive to the concerns of the citizens of the state of Illinois. Its faculty and staff already participate in collaborative relationships with the state in a wide range of activities, including research on matters involving public policy. The assembly encourages the strengthening of such research through the utilization and possible expansion of existing linkages between the University and state government.

The assembly believes that in the future public policy questions will require even closer relationships between state government and institutions such as the University of Illinois, and that this matter should be a continuing item on the agenda of both the University administration and its faculty.

Whether future responses should take the form of new organizational mechanisms remained a point of debate throughout the assembly. There was, however, con-

sensus that any efforts at innovation should neither diminish nor replace present approaches to research on matters affecting public policy as exemplified by extension service activities, service on state committees and commissions, symposia, and communication networks involving both the University and state government.

In addition to such traditional mechanisms, the University should encourage researchers to develop new approaches for addressing social and technological problems facing the state. Specifically, the University's State Government/University Relations Committee is urged to evaluate experiments in California and other states which seek to develop cooperative efforts between universities and state government in policy research.

As the committee carries out this assignment, particular attention should be given to:

1. Evaluating the purpose and quality of current and proposed modes of cooperation, especially in terms of inducements and impediments to faculty and governmental participation.
2. Developing and maintaining up-to-date surveys of research and research capability on matters affecting public policy carried out by University faculty.
3. Communicating to all appropriate sectors of the state on the extent of current research at the University of Illinois focusing on state problems.
4. Encouraging expanded personal contact between members of the University faculty and various state officials in a variety of settings.
5. Planning by the State Government/University Relations Committee for symposia on a broad range of topics pertaining to state policy research. Representatives of the executive branch, the legislative branch, and the judicial branch (where appropriate) of state government should be involved in early symposia planning.

Finally, the assembly encourages the University's State Government/University Relations Committee to develop recommendations that would implement closer relations between the faculty and state government in policy research but cautions against any plan that would adversely affect the academic independence of the University.





FACULTY LETTER

FROM THE OFFICE OF THE PRESIDENT · UNIVERSITY OF ILLINOIS

No. 280, January 30, 1979

FEB 22 1979
OFFICE OF THE
PRESIDENT OF THE
UNIVERSITY OF ILLINOIS

Tax-Sheltered Annuities Revisited

Some time during the career of faculty persons, a tax-sheltered annuity should be considered for the purpose of supplying additional income at retirement. A tax-sheltered annuity provides the faculty member with a tax-favored means for setting aside savings for retirement out of current earnings. Although these savings are intended for retirement purposes — and the greatest advantages are obtained from using them for this purpose — they are available for emergency use or during a period of a lower annual income such as could occur during certain types of leaves.

Congress decided to encourage savings for retirement by allowing such savings to be removed from reportable income resulting in a lowering of current income tax. Since the reduction in reportable income occurs in the faculty member's top bracket, the tax saved is at the rate for his or her top bracket. This can mean a considerable tax savings.

When benefits are received from the tax-sheltered annuity plan, such benefits are then reportable income; however, the impact of the tax at that time may be lessened considerably. In the first place, if the benefits are received after reaching age sixty-five, the faculty member's personal exemption is doubled; and, if the faculty member's spouse is also over age sixty-five, the exemption for the spouse is doubled. Second, other reportable income after the faculty person's retirement is likely to be less than income received while working. Many University faculty members choose to withdraw sizable amounts during the first two or three years of retirement — while they are paying no income tax on the retirement income received from the State Universities Retirement System. Finally, the benefits from a tax-sheltered annuity may be spread out over the remaining lifetime of the participant, so that the tax implication may not be great in any one year.

CONTRIBUTION LEVEL DEFINED

A faculty member may enter into an agreement with the University once a year to establish a percentage of

salary to be reduced from his or her gross salary. In no way does the reduction for monthly tax-sheltered annuity contributions affect the amount of contribution made by a faculty member or the State Universities Retirement System for the individual's SURS plan.

Under the *General Limitation*, the faculty member may have his or her annual gross salary reduced less but not more than 20 percent per year, and, in some cases the maximum is less depending on the individual's personal situation. Many faculty members approaching retirement may wish to make larger contributions than the 20 percent of gross income allowed under the *General Limitation*. For those faculty, Congress included in the Employee Retirement Income Security Act of 1974 (which became effective January of 1976, and recently clarified by Internal Revenue rulings) *Special Elections* that allow the participant to contribute more than 20 percent of gross annual salary by using past service credit with the University.

BENEFITS CENTERS OFFER ASSISTANCE

Each campus Benefits Center, upon request, will send an in-depth description of the tax-sheltered annuity program, including information dealing with exclusion allowances, federal income and estate tax implications, and a comparison of the five tax-sheltered annuities offered at the University of Illinois.

After reviewing the informational material, faculty may call their campus Benefits Center and make an appointment with a counselor for a personal interview to answer further questions concerning the program.

In addition, each campus now has a computer terminal connected to a computer located in Atlanta, Georgia, for calculating an individual's personal annual exclusion allowance.

For further information faculty members are encouraged to call their Benefits Center: Chicago Circle, 996-2870; Medical Center, 996-6470; Urbana-Champaign, 333-3111.

University Patents, Inc., Announces Program to Pay Honoraria to Inventors

University Patents, Inc. (UPI), now a public corporation with headquarters in Connecticut, was established originally by the University of Illinois Foundation to "seek out, evaluate, patent, and license emerging technologies" at the University of Illinois.

Effective January 1, 1979, and until further notice, UPI's management will initiate a new program offering a \$150 honorarium to inventors at the time a U.S. patent application is filed. This program has been successfully evaluated, on a test basis, at a number of other academic institutions currently serviced by UPI. UPI and the University believe this program, when implemented in Urbana and Chicago, will have a very positive effect

on the number and timeliness of invention disclosures submitted by University researchers for processing. UPI personnel visit all campuses of the University regularly, and UPI also employs several professional local consultants who are available to discuss topics related to patents.

Additional information about the patent program and UPI, and specifically their invention honorarium plan, may be obtained from the office of Robert N. Parker, Associate Vice-President, Financial Affairs, whose telephone number is 333-2464 in Urbana, or by writing UPI's vice-president, A. Sidney Alpert, P.O. Box 6080, Norwalk, Connecticut 06852, telephone (203) 846-3461.

University Admission Requirements: English Competency¹

TEXT OF AN AGENDA ITEM APPROVED BY THE UNIVERSITY OF ILLINOIS BOARD OF TRUSTEES ON NOVEMBER 17, 1978

The Senates at all campuses have approved a revision of the admission requirements for English competency. The present policy states that a test of competence in English shall be required of all foreign students, including transfers, except foreign students who are citizens of a country where the native language is English. The revision extends the requirements to all students who apply to the University, and is as follows:

Minimum requirements for competence in English apply to all University students. An applicant for admission may complete minimum requirements for competence in English by certifying that the following requirements have been fulfilled in a country where English is the primary language and in a school where English is the primary language of instruction:

1. Undergraduate college applicants: graduation with credit

¹A proposed revision of this requirement was presented to the Board in April 1976 and was not approved. In line with the concerns of the Board, the revision now proposed addresses the general question of English competency of all applicants for admission, rather than that of a small and specific group of applicants, i.e., the foreign students and those whose native language is other than English.

for 3 units, or the equivalent, of English from a secondary school; or successful completion of a minimum of two academic years of full-time study at the secondary school or collegiate level immediately prior to the proposed date of enrollment in the University.

2. Graduate and professional college applicants: completion of at least two academic years of full-time study within five years of the proposed date of enrollment in the University.

For applicants who do not meet the above requirements, evidence can be provided by achieving a satisfactory score on a test of competence in English. The test(s) to be used and the minimum scores(s) shall be subject to approval by the University Committee on Admissions with the advice of the University's Technical Committee on Testing. This requirement may be waived upon agreement by the director of admissions and records and the dean of the college concerned, if evidence of competence in English presented by the applicant clearly justifies such action.

The revision has been approved by the University Committee on Admissions and the admissions committees of the Chicago Circle, Medical Center, and Urbana-Champaign campuses. The University Senates Conference has indicated that no further Senate jurisdiction is involved.

University Councils and Committees 1978-79

University Academic Council. Peter E. Yankwich, *Chairperson*, Edwin L. Goldwasser, William J. Grove, Richard M. Johnson, Morton W. Weir.

University Committee on Accountancy (C.P.A.). J. Nelson Young, *Chairperson*, Edwin Cohen, Jane W. Loeb, *ex officio*, Kenneth W. Perry, Margaret Richardson, *Secretary*, Eldred C. Strobel.

University Committee on Admissions. Eloise H. Cornelius, *Chairperson*, Robert H. Adelsperger, Robert E. Corley, William L. Daniel, James W. Graham, *ex officio*,

Barry Greenstein, Carol A. Leaf, Jane W. Loeb, *ex officio*, Frank D. Maglione, Jr., Robert L. Mosborg, E. Eugene Oliver, *ex officio*, Jose Ortiz, William C. Price, *ex officio*, Ben A. Rasmusen, Donald W. Rice.

Avery Brundage Scholarship Fund Committee. Nancy D. Berryman, Alma R. Brown, Rosemary Cahill, Michael T. Moore, Edward G. Perkins, Elizabeth P. Rogers, Debbie Romersberger, William C. Wagner, Richard A. Wang, E. Eugene Oliver, *Secretary*.

University Committee on Copyrightable Works. Ron-

ald W. Brady, *Chairperson*, James J. Costello, Edwin L. Goldwasser, W. Ann Reynolds, Jan Rocek, Peter E. Yankwich.

University Council for Environmental Studies. Benjamin B. Ewing, Roger W. Findley, James P. Hartnett, Edward R. Herman, R. Thomas Jaeger, Anthony M. Marinelli, Robert L. Metcalf, Thomas L. Poulsen, W. Ann Reynolds.

University Council on Equal Opportunity. Ronald W. Brady, *Chairperson*, Craig Bazzani, Donald A. Henss, Carol Cottrell-Mootry, Nan E. McGehee, Michele M. Thompson.

University Committee on Financial Aid to Students. Eugene Oliver, *Chairperson*, Richard K. Barksdale, Thom P. Brown, Harold Klehr, Larry Matejka, James A. Nelson, William J. Otting, Jr., William A. Overholt, William C. Wagner.

University Council on Graduate Education and Research. Peter E. Yankwich, *Chairperson*, Dale R. Eisenmann, Paul A. Gaeng, Edwin L. Goldwasser, Robert J. Maurer, W. Ann Reynolds, Jan Rocek, Charles Rhodes, Judith Torney.

University Council on International Education. Peter E. Yankwich, *Chairperson*, George E. Brinegar, Robert L. Hess, George E. Miller.

University Committee on Legislative Relations (State). Ronald W. Brady, *Chairperson*, Samuel K. Gove, *Vice-Chairperson*, R. Samuel Baker, Harlan D. Bareither, James J. Costello, Robert N. Parker, William H. Rice.

University Council on Libraries. Hugh C. Atkinson, *Chairperson*, Roger G. Clark, L. Rowell Huesmann, Judith S. Liebman, Beverly P. Lynch, Irwin H. Pizer, John P. Waterhouse.

University Nonacademic Employees Advisory Committee. Eugene T. Flynn, *Chairperson*, Marjorie M. Beasley, Patricia Curtis, Josephine Dolciamore, Charles R. Hickman, Patrick T. Hughes, Barbara Munro, William O'Donnell, John C. Radmaker, John A. Saldeen, Bernice L. Wright.

University Patent Committee. Ronald W. Brady, *Chairperson*, James J. Costello, Edwin L. Goldwasser, W. Ann Reynolds, Jan Rocek, Peter E. Yankwich.

University Planning Council. Ronald W. Brady, *Chairperson*, Harlan D. Bareither, *Secretary*, Jonathan Amsel,

Werner H. Baur, David W. Bonham, William J. Grove, Richard M. Johnson, Walter W. McMahon, Alexander M. Schmidt, Richard H. Ward, Morton W. Weir, Donald F. Wendel, Peter E. Yankwich.

University Press Board. Robert W. Johannsen, *Chairperson*, Gloria G. Fromm, Edwin L. Goldwasser, *ex officio*, Keneth Kinnamon, Irwin H. Pizer, W. Ann Reynolds, *ex officio*, Jan Rocek, *ex officio*, Richard L. Wentworth, *ex officio*, Norman E. Whitten, Jr.

University Professional Advisory Committee. Ronald W. Brady, *Chairperson*, Julian Frankenberg, Thomas E. Gamble, Gust Hermanson, Roger E. Martin, Patricia A. Nelson, Richard H. Ward.

University Council on Public Service. Peter E. Yankwich, *Chairperson*, John B. Claar, Dennis A. Dahl, Samuel K. Gove, Thomas M. Jenkins, Alexander M. Schmidt, James E. Vermette, Thomas F. Zimmerman.

Advisory Committee to the Board of Trustees of the University Retirement System of Illinois. Walter H. Franke, Beverly T. Lehman, Howard A. McIntosh, Lois E. Owens, Arthur R. Robinson, William H. Ross, William W. Tongue, Wallace H. Wilson.

Risk Management Policy Committee. Joseph A. Diana, *Chairperson*, James R. Gallivan, *Secretary*, Dean Baringer, James J. Costello, Robert N. Parker, Alexander M. Schmidt, Richard H. Ward, Donald F. Wendel.

Workmen's Compensation Subcommittee. Dean Baringer, *Chairperson*, James R. Gallivan, *Secretary*, David W. Bonham, Arthur W. Catrambone, Marvin J. Colbert, Warren H. Glockner, Marion D. Kinzie, William A. Mason, George F. McGregor, Harrison Streeter.

Hospital and Medical Professional Liability Subcommittee. Alexander M. Schmidt, *Chairperson*, James R. Gallivan, *Secretary*, Truman Anderson, Clifford Grulee, Jr., William J. Hart, Norman P. Jeddelloh, Allan Levy, Vidvuds Medenis.

Nonmedical Professional and General Liability Subcommittee. Timothy O. Madigan, *Chairperson*, James R. Gallivan, *Secretary*, Raymond Borelli, L. Rea Jones, Raymond S. Stephens.

University Committee on State-University Relations. Samuel K. Gove, *Chairperson*, Samuel R. Aldrich, Jane Rae Buckwalter, James R. Collier, Viron L. Diefenbach, James P. Hartnett, Boyd R. Keenan, Ross J. Martin, James T. McGill, W. Ann Reynolds, Peter E. Yankwich.





FACULTY LETTER

FROM THE OFFICE OF THE PRESIDENT · UNIVERSITY OF ILLINOIS

No. 281, April 9, 1979

Tuition Policy Recommendation, Fiscal Year 1980

TEXT OF LETTER DATED FEBRUARY 12, 1979, FROM PRESIDENT JOHN E. CORBALLY ADDRESSED TO MEMBERS OF THE BOARD OF TRUSTEES

As you know, the Board of Higher Education (BHE) has submitted budget recommendations to the governor and the General Assembly which include a provision for tuition increases for Fiscal Year 1980. While increased tuition levels may have been viewed as "necessary" within the context of the BHE recommendations, the need to secure these increases is now "absolutely essential" given the governor's recent announcement regarding the amount of general revenue funds he will support for higher education within the executive budget.

Although the debate over tuition in past years has been both comprehensive and objective, the recommendations presented by the BHE for FY80 — which I endorse — appear to require that some attention be given to President Carter's call for voluntary cooperation with wage and price guidelines established at the close of calendar 1978. The price standards, which would apply to goods and services, indicate that price

increases during the "program year" (October 1, 1978, through September 30, 1979) should not exceed the annual rate of increase during calendar years 1976 and 1977 less a deescalation factor of one-half of one percent. Under the working guidelines issued by the Council on Wage and Price Stability (COWPS), the weighted average increase for all related price increases should not exceed 9.5 percent.

It is important to note that, while consideration may be given to the spirit of the president's program, any tuition increase adopted by the board at this time will become effective for periods not substantially included in the president's program year (again, the expiration date is September 30, 1979). Nonetheless, I have prepared the following table for your information which displays a comparison between tuition increases recommended by the BHE and maximum levels theoretically allowed by the COWPS formula:

	Current Annual Rate	BHE Proposed Increase	Total FY80 Rate	% Increase BHE Proposal	COWPS Formula
Undergraduate	\$ 585	\$48	\$ 633	8.2%	8.2% (\$ 48)
Graduate/Law	615	64	679	10.4	9.5% (\$ 55)
Vet. Medicine	804	56	860	7.0	9.5% (\$ 76)
Dentistry	969	68	1,035	7.0	9.5% (\$ 92)
Medicine	1,344	94	1,438	7.0	9.5% (\$128)

The data on the table reveal that, with the exception of rates proposed for graduate and law students, individual price levels are at or below the percentage maximum which derive from the COWPS formula. However, because the BHE-proposed levels for veterinary medicine, dentistry, and medicine are below the allowable maximums, the overall weighted average increase for all students is well within the president's guidelines. As for graduate student charges, one additional fact is worth noting — a substantial percentage (about 65 percent) of graduate student-assessed tuition is waived, thereby reducing the net tuition level for graduate students as a group below the theoretical maximum.

As I have indicated in the past, real qualitative growth at the University of Illinois depends on our

ability to *at least* keep pace with inflation. With inflation for fiscal year 1980 expected to range between 7 and 10 percent, I am persuaded that the rate increases proposed by the BHE are both realistic and necessary.

I might add that, although the campuses have not yet presented recommendations regarding increases for such items as housing and student service fees, I am reasonably certain that, in the aggregate, these increases will relate closely to the levels allowed by the COWPS formula.

I therefore recommend that the Board of Trustees approve the tuition increase indicated above and I will present a formal agenda item at the regular meeting of the board in March.

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UNIVERSITY OF ILLINOIS
CHAMPAIGN

Board of Trustees Action on Building Designs

On Tuesday and Wednesday, February 20 and 21, 1979, recommendations requesting approval of four building designs were presented to the Buildings and Grounds Committee of the Board of Trustees. The buildings were as follows:

Urbana-Champaign Campus

Veterinary Medicine Basic Science Building
Agricultural Engineering Sciences Building

Chicago Circle Campus

Pavilion

Medical Center Campus

Chicago Illini Union Addition and Recreation Facility

1. Veterinary Medicine Basic Science Building, Urbana-Champaign

The Veterinary Medicine Basic Science Building will be located south of St. Mary's Road and west of Lincoln Avenue in Urbana at the site of the existing Veterinary Medicine complex. The project, which is being designed by Lester B. Knight and Associates of Chicago, will contain approximately 252,000 gross square feet of floor space (157,600 net assignable square feet). The design consists of a three-story research wing which houses diagnostic laboratories, Research Animal Quarters, the Department of Veterinary Pathology and Hygiene, the Department of Veterinary Bioscience, and the college administrative offices, a two-story wing which houses the teaching areas, the Office of Continuing Education and Public Service, the Audiovisual Aids department, the Student Services area, and the Learning Resources and Library. The two wings are connected by two bridges at the second-floor level. The building is to be constructed with a precast concrete exterior to relate to the existing concrete structures in the complex. When it is completed, it will accommodate 208 professional veterinary medicine basic science students, 96 graduate students, and 100 staff members. It will also allow the College of Veterinary Medicine to increase its entering class size from 70 to 104 professional students. The building is scheduled for occupancy in the fall of 1981. (The project which has a total budget of \$21,927,800 is being financed by the Illinois Capital Development Board.)

2. Agricultural Engineering Sciences Building, Urbana-Champaign

The Eightieth General Assembly appropriated capital development bond funds in the amount of \$7,952,900 for construction of an approximately 104,000-gross-square-foot (60,500-net-assignable-square-foot) facility which will house the Departments of Agricultural Engineering, Forestry, and Food Science. The new building will permit the relocation of the Department of Agricultural Engineering, the Wood Science program of the Depart-

ment of Forestry, and much of the Food Engineering program of the Department of Food Science. All of these programs are currently located in poor-quality temporary space which cannot meet their growing needs. The consolidation of these three programs into a new facility is essential to the research and teaching responsibilities of the department.

Located near the Stock Pavilion and existing Agricultural Engineering Building, the building is the first element of a contemplated south campus expansion of the College of Agriculture. The site selected for the building resulted in a linear design. The project will form the east edge of a new south quadrangle.

The building is organized in three separate but linked elements to express the functional autonomy of three major departments: Agricultural Engineering, Forestry, and Food Science. Pedestrian circulation occurs through a central corridor paralleling an open three-story mechanical gallery which forms a skylighted enclosed street. The exterior of the building blends a brick facade with the continuous glass skylights visible on the east side of the building. The architects for the project are C. F. Murphy Associates, Chicago. It is anticipated that bids will be received in the early fall of 1979 and construction will be completed in order for the building to be occupied in the fall of 1981.

3. The Pavilion, Chicago Circle (\$7,500,000)

The Pavilion at the Chicago Circle campus is to be located on the campus at the northeast corner of Harrison and Racine (adjacent to the Eisenhower Expressway) and has been designed by the architectural firm of Skidmore, Owings and Merrill, Chicago. The facility will become the home of a wide variety of athletic and entertainment events and will serve students, faculty, and the community.

Hockey, ice skating, basketball and volleyball, tennis, wrestling, and gymnastic competition and events are among activities planned. The facility will also be used for Chicago Circle and Medical Center convocations, lectures, entertainment (concerts, star performances, circuses, etc.) and for conventions, conferences, shows, and expositions.

The 100,000-square-foot Pavilion will seat between 7,000 and 12,000 spectators depending on the main event. Construction will begin in mid-1979 and the structure is expected to be completed by early 1981. It will be accessible on all sides (Chicago Transit Authority service, the campus, and the community), and three University parking lots with nearly 2,700 spaces will be available to patrons.

The innovative design for the Pavilion has been adapted for performance use as well as for sports events by the internal configuration of its seating arrangements,

public concourses, and circulation areas. Its exterior will be compatible with the architectural environment of the Chicago Circle campus.

The project is being financed by University of Illinois Auxiliary Facilities System Revenue Bonds, Series N, which will be retired by income from the scheduled events.

4. Chicago Illini Union Addition and Recreation Facility, Medical Center

The Chicago Illini Union Addition and Recreation Facility is currently being planned for the Medical Center campus of the University of Illinois. The new building will provide space for recreation and exercise programs, conferences, continuing education functions, campus organization offices, and a variety of campus activities.

Included in the facility will be a multipurpose gymnasium with a suspended jogging track, racquetball courts, a six-lane 25-meter swimming pool, 350-seat auditorium, crafts center, exercise rooms, and support offices and facilities. The new facility will be constructed to the west of the existing Chicago Illini Union, joining

it at the second floor and lower level. The addition will also join the new Single Student Residence on the north. The new residence, to house 632 students, is currently under construction.

A lower-level courtyard will be developed between these buildings and the other residence halls on the block. The courtyard will encourage convenient access and will feature both informal and planned activities such as noon-time concerts and crafts demonstrations. It will be designed as a green space with room for group activities, but also more private individually pleasant areas as relief from the surrounding high-impact urban area. The building's design will relate its materials and form to the existing structure.

The 59,700 square foot Chicago Illini Union Addition and Recreation Facility is being designed by the architectural firm of Loebel, Schlossman and Hackl, Chicago. The project cost is \$5,055,500. Construction is planned to begin in October 1979, with completion in April 1981. The project is being financed by University of Illinois Auxiliary Facilities System Revenue Bonds, Series N, which will be retired from student fees.

Board Amends Shareholder Policy

RESOLUTION APPROVED BY THE BOARD OF TRUSTEES,

MARCH 21, 1979

WHEREAS, the Board of Trustees of the University of Illinois and the Finance Committee of the Board have studied in depth questions relating to investments held by the University and shareholder responsibility for certain of its investments; and

WHEREAS, the Finance Committee previously held hearings in Urbana and Chicago, following which the committee recommended and the board adopted on September 21, 1977, amended procedures involving shareholder responsibility and specifically involving investments in companies doing business in South Africa; and

WHEREAS, the Finance Committee has subsequently received substantial additional information from interested persons and groups, has held hearings in Urbana on November 16, 1978, and has been provided with reports from the Investor Responsibility Research Center, Inc., as well as copies of recent statements from other universities; and

WHEREAS, the official policy of apartheid in the Union of South Africa has virtually excluded from the political process all blacks, colored, and Asians (groups which compose approximately 83 percent of the population); and

WHEREAS, educational, religious, and civil rights groups in the United States have increasingly opposed Corporate involvement in South Africa by U.S. companies; and,

WHEREAS, such corporations are faced with a variety of imposing, although not necessarily convincing arguments for either continuing to do business in South Africa and by that presence to help to effect constructive change, or to withdraw, and the decision to either remain or withdraw is not susceptible of a clear-cut solution; and,

WHEREAS, the Finance Committee, in its continuing efforts to recommend a responsible policy as a shareholder, remains convinced that the question of withdrawal by U.S. corporations is not a simple one and that responsible minority voices in the United States and in South Africa have spoken against withdrawal; and

WHEREAS, the Board of Trustees of the University of Illinois opposes racial injustice and that such injustice and oppression of human rights exists in South Africa.

Now, therefore, be it resolved that the Finance Committee recommends to the Board of Trustees that the current policy of the board be amended as follows:

A. Shareholder Petitions

The University of Illinois will support shareholder petitions for withdrawal of a company in which the University of Illinois has investments from South Africa in the following instances:

1. The company will not adopt principles, such as the Sullivan Principles, whose objective is to provide improved opportunities and employment practices for nonwhites.

2. The company refuses to demonstrate within a reasonable period of time its determination to initiate progressive employment practices.
3. The company fails to implement effectively such practices.
4. The company's continued presence in South Africa does more to strengthen the apartheid regime than to contribute to the welfare of the nonwhites.

B. Stock Divestiture

Because of our belief that the University can more effectively influence company policy by correspondence, shareholder resolutions, and public statements than by divestiture, the divestiture of stock in companies doing business in Africa would be appropriate only under very limited circumstances.

However, when persistent efforts to persuade a company to abandon unethical practices have proved ineffective and the outlook for future success seems hopeless, divestiture may be justified as a last resort.

Accordingly, the University will consider divestiture if the following conditions are obtained:

1. The company has failed substantially to conduct its business in a manner consistent with the policy established by the Board of Trustees.

2. The company has failed to amend its policies in spite of our persistent efforts to persuade the company to conform with the policies as established by the Board of Trustees.
3. The company clearly indicates that it will not amend its position and policy to conform with the policy as enunciated by the Board of Trustees.

C. Bank Investments

The University will apply the same stockholder and divestiture policy for banks doing business in South Africa (see A 1-4, B 1-3).

D. Implementation of University Policy

To carry out the policy outlined in this statement, the University will take the following steps:

1. We will inform the managements of portfolio companies of our policy as set forth in this statement.
2. We will support shareholder resolutions which are consistent with this policy and support monitoring of the follow-up and implementation of the Sullivan principles.

The University recognizes that this policy formulation should be reexamined from time to time, in light of changing events in South Africa.

Note

There are an increasing number of examples where members of the faculty and staff are exercising their legal rights as citizens but are doing so on University stationary.

I am fully supportive of each of us exercising our

rights as citizens but hope that we will do so at personal expense rather than at University expense.

JOHN E. CORBALLY
President



FACULTY LETTER

FROM THE OFFICE OF THE PRESIDENT · UNIVERSITY OF ILLINOIS

No. 282, April 24, 1979

1979-80 Tuition and Fee Increases Approved by the Board of Trustees

At its March 21 meeting, the Board of Trustees approved tuition increases for students at the University of Illinois effective fall 1979, as recommended by President Corbally.

The approved tuition increases are the same as those recommended by the Illinois Board of Higher Education, which also recommended sufficient increases in Illinois State Scholarship Commission Awards to offset the impact of the tuition increase upon financially needy undergraduate students.

The annual tuition rates, current and as approved by the board for 1979-80, for full-time residents and

nonresidents are shown below. The new annual rates for full-time resident students reflect a \$48 increase in undergraduate tuition, a \$64 increase in graduate tuition, and an approximately 7 percent increase in tuition for medical, dental, and veterinary medical students. These rates are in accordance with the president's price guidelines. The annual increases for full-time nonresident students are at the level of three times the resident student increase. New rates for summer terms, reduced loads, and extension courses will be calculated in relation to the full-time resident and nonresident rates.

ANNUAL TUITION RATES¹

	Urbana-Champaign		Chicago Circle		Medical Center	
	Resident	Nonresident	Resident	Nonresident	Resident	Nonresident
Undergraduate						
1978-79	\$ 586	\$1,758	\$585	\$1,755	\$585	\$1,755
1979-80	634	1,902	633	1,899	633	1,899
Graduate (including Law)						
1978-79	616	1,848	615	1,845	615	1,845
1979-80	680	2,040	678	2,034	678	2,034
Medicine						
1978-79	1,344	4,032			1,344	4,032
1979-80	1,440	4,320			1,440	4,320
Dentistry						
1978-79					969	2,907
1979-80					1,035	3,105
Veterinary Medicine						
1978-79	804	2,412				
1979-80	860	2,580				

¹ Breakdown of tuition rates by terms and ranges will be calculated according to past practices in relation to full-time resident and nonresident rates.

The Board of Trustees also approved fall 1979 increases in the student service fee and selected health fees, as recommended by the chancellors at each of the campuses.

Semester/quarter fee levels, current and as approved by the board for 1979-80, for full-time students are shown below.

AUG 18 1979
University of Illinois
Urbana-Champaign

	Urbana-Champaign		Chicago Circle		Medical Center	
	1978-79	1979-80	1978-79	1979-80	1978-79	1979-80
Student service fee	\$ 79	\$ 82	\$57	\$63	\$ 87	\$ 94
Health service fee UC, MC						
Pharmacy fee CC	33	40	3	2	20	22
	<u>\$112</u>	<u>\$122</u>	<u>\$60</u>	<u>\$65</u>	<u>\$107</u>	<u>\$116</u>

Fee increases will be covered by the Illinois State Scholarship Commission for undergraduate students with financial need who hold full-value Illinois State Scholar-

ship Commission awards.

Health insurance fee increases will be considered by the Board of Trustees at the meeting in April.

University Term Life Program Offers Additional Coverage

PLAN PROVISIONS

The University Life Insurance Program is specifically designed for all permanent and continuous faculty and staff who are employed or on an appointment of at least 50 percent time. The program provides faculty or staff the opportunity to purchase term life insurance coverage through a payroll deduction for themselves, spouses, and/or children for a reasonable cost. The plan is basically a three-year renewable convertible term insurance plan that allows the faculty or staff member to continue term coverage until age seventy, and also provides portability of the term coverage in case of resignation or retirement.

INCREASE IN BENEFIT AMOUNTS

Employee Life Benefit:

A faculty or staff member may, during his or her first thirty days of employment, or through an open enrollment period, choose to purchase \$5,000 or \$10,000 of life insurance with guaranteed acceptance, and the right to increase coverage a like amount each year until a maximum amount of \$60,000 is reached. At any time, faculty or staff members may elect to receive coverage with evidence of insurability. In the past faculty and staff could receive up to \$100,000 of coverage. Now the new provisions allow the participant to acquire as much as \$150,000 of term life insurance.

Spouse Optional Life Benefit:

In the past a faculty or staff member could insure

his or her spouse for up to a maximum of \$10,000; however, now the spouse may be insured subject to evidence of insurability up to \$20,000.

Dependent Child(ren) Life Benefit:

Prior to these recent improvements, faculty or staff members could only elect to insure their children for \$2,500, but now they can be insured for \$5,000. If the coverage is requested within thirty days of employment or during an open enrollment period no evidence is required.

BROCHURE, DETAILS, COUNSELORS

The University designed this program to be responsive to the changing needs of faculty and staff. Over the years there have been a number of improvements in the University Supplemental Term Life Insurance Program which has proven to be an important benefit program and responsive to the increased needs of the faculty and staff. Additional information is available at your Benefits Center:

Urbana-Champaign
127 Administration Building
333-3111

Chicago Circle
1225 University Hall
996-2870

Medical Center
179 Pharmacy
996-6470

State Offers Deferred Compensation Program

Faculty and staff have been eligible to participate in the University's Tax-Sheltered Annuity Program, Internal Revenue Code 403 (b), for many years. A Tax-Sheltered Annuity provides the faculty or staff member with a tax-favored means of setting aside savings for retirement through a salary reduction out of current earnings. Although these savings are intended for retirement purposes—and the greatest advantages are obtained

from using them for this purpose—they are available for emergency use or during a period of a lower annual income such that could occur during certain types of leave.

The University's Tax-Sheltered Annuity Program, Internal Revenue Code 403 (b), is not available by law to most other state agencies. In order to accommodate those other state employees, the state has developed a

Deferred Compensation Plan, Internal Revenue Code 457; however, this plan does not have many of the desired features available under the Tax-Deferred Annuity Program due to the state's Deferred Compensation Plan being covered under a different law.

Since the state has made this program available to all state employees, an announcement of the open enrollment period is being made at this time. Employees

may enroll in the Deferred Compensation Program until May 10, 1979, and will again have an opportunity during the fall. For those faculty or staff interested in either the Tax-Deferred Annuity Program or the State Deferred Compensation Program, comparison material will be provided by calling your campus Benefits Center: Chicago Circle, 996-2870; Medical Center, 996-6170; Urbana-Champaign, 333-3111.

Report of Gifts, Grants, and Contracts 1977-78

The University continues to receive substantial support through private and corporate gifts and grants and federal and state agency grants and contracts. Of the University's total revenues of \$527 million for FY 1978, over \$113 million (21 percent) came from gifts, grants, and contracts.

Private and corporate gifts and grants in FY 1978 were up from \$20.6 million to \$23.9 million, an increase of 16 percent. Many of these gifts, \$5.8 million, for use by the University, came through the University of Illinois Foundation.

Federal agency grants and contracts amounted to \$81 million at all campuses, up from \$74 million in FY 1977. The principal source continues to be various units of the Department of Health, Education, and Welfare. The National Science Foundation and the Department of Energy also provided major support for many University projects.

The University works cooperatively with State of Illinois agencies and entered into agreements of over \$8 million with thirty five state government units in FY 1978 to further mutually desirable projects for our state.

The following is a comparative summary of the gifts, grants, and contracts for the past two fiscal years:

COMPARATIVE SUMMARY OF GIFTS, GRANTS, AND CONTRACTS FOR FISCAL YEARS 1977 AND 1978

	1977	1978
From private gifts, grants, and contracts:		
Chicago Circle	\$ 1,474,948	\$ 2,144,596
Medical Center	4,584,938	3,824,848
Urbana-Champaign	12,965,212	16,081,885
General University units....	430,964	379,425
University of Illinois Foundation	4,260,059	5,841,991
	23,716,121	28,272,745

Less gifts transferred from the University of Illinois Foundation to all campuses ...	(3,031,856)	(4,324,209)
Total private gifts, grants, and contracts..	20,684,265	23,948,536
From United States Government grants and contracts:		
Chicago Circle.....	5,254,388	6,278,955
Medical Center.....	17,318,439	20,598,905
Urbana-Champaign	51,237,192	53,457,111
General University units....	310,137	671,383
Total United States Government grants and contracts	74,120,156	81,006,354
From State of Illinois grants and contracts:		
Chicago Circle.....	506,440	546,956
Medical Center.....	681,024	730,458
Urbana-Champaign	4,225,567	6,533,717
General University units....	531,362	249,808
Total State of Illinois grants and contracts....	5,944,393	8,060,939
Grand total	\$100,748,814	\$113,015,829

COMPARATIVE SUMMARY OF GIFTS, GRANTS, AND CONTRACTS BY LOCATION FOR FISCAL YEARS 1977 AND 1978

	1977	1978
Chicago Circle.....	\$ 7,235,776	\$ 8,970,507
Medical Center.....	22,584,401	25,154,211
Urbana-Champaign	68,427,971	76,072,713
General University units.....	1,272,463	1,300,616
University of Illinois Foundation..	4,260,059	5,841,991
	103,780,670	117,340,038
Less gifts transferred from the University of Illinois Foundation included above		
Chicago Circle.....	(177,307)	(334,381)
Medical Center.....	(1,040,065)	(1,126,058)
Urbana-Champaign	(1,788,130)	(2,860,479)
General University units	(26,354)	(3,291)
Grand total.....	\$100,748,814	\$113,015,829





FACULTY LETTER

FROM THE OFFICE OF THE PRESIDENT · UNIVERSITY OF ILLINOIS

No. 283, August 9, 1979

Statement by President John E. Corbally

JULY 20, 1979

In many ways I feel that I have spent the last two months making "farewell addresses" and I do not want to burden you with a lengthy addition to that series. I do, however, want to report that I am fully aware that as a sort of symbol of a university, a president's image is dependent in many ways upon the quality and upon the effort of the faculty and staff of the University. By that statement I do not mean to imply either that a president is unnecessary or that the presidential role is an easy one, but I do want to recognize that the many generous comments which have been made about my service as president are comments which apply to our contributions to the excellence of this University rather

than merely to my contributions. It has been an honor and a privilege to represent you and the University of Illinois in the many arenas in which such representation takes place. I am pleased that so many of you have taken the time to indicate to me that you have felt well represented at least most of the time.

I look forward to my new role in the University of Illinois and to continuing opportunities to work with many of you. Thank you for your support, your encouragement, and your friendship. I have told Dr. Ikenberry that he can count on you as friends, as constructive critics, as supporters, and, most importantly, as colleagues in a great undertaking.

Board of Trustees Adopts Mandatory Retirement Policy, July 18, 1979

TEXT OF BOARD AGENDA ITEM

Amendments to the Federal Age Discrimination in Employment Act have expanded coverage of that act to include workers in state governments. The amendments further supersede the provisions of any public or private pension plan which require retirement before age seventy, effective January 1, 1979, for nontenured employees with the exception of certain administrators; and July 1, 1982, for tenured faculty members.

House Bill 594, now awaiting action by the governor, amends the article of the State Pension Code dealing with the Illinois State Universities Retirement System, effective July 1, 1979, to remove the requirement that participants in the system must retire by September 1 following the employee's sixty-eighth birthday. This latter requirement is presently referred to in Article III, Section 4(b) of the University of Illinois's *General Rules Concerning University Organization and Procedure*.

In view of these changes in federal and state law, and to provide a University policy on this matter, I recommend that effective immediately each University employee be required to retire no later than September 1 immediately following his or her seventieth birthday as set forth in the following proposed amendment to Article III, Section 4 of the *General Rules*, the adoption of which is recommended.

In accordance with the Preamble of the *University of Illinois Statutes*, I have consulted with the University Senates Conference.

Article III, Section 4. Retirement, Death, Survivor, and Disability Benefits¹

[(a) General.] University policy provides for the payment of salary in case of illness or other disability for specified periods as described below. In addition to the benefits provided by the University, a system of retirement, death, survivor, and disability benefits is established by law creating the State Universities Retirement System of Illinois, a state agency separate and distinct from the University of Illinois.

(a) *Retirement Age*. Each employee of the University must retire no later than September 1 immediately following his or her seventieth birthday; however, in exceptional cases and for substantial cause, retirement may be deferred upon written request of the employee, approved by the Chancellor, when appropriate, and the President, for a period not to exceed one year at any one time.

(b) *Participation in State Universities Retirement System*. A deduction is made from the salaries or wages

¹ Deletions are in brackets; Sec. 4 (a) is new.

of all employees who are participants in the retirement system, as defined by law. [Under State Universities Retirement System policy a participant must retire by September 1 following his or her sixty-eighth birthday;

however, in exceptional cases and for substantial cause, retirement may be deferred by the employer for a period not to exceed one year at any one time.]

Amendments to University of Illinois Statutes, Adopted July 18, 1979

TEXT OF BOARD AGENDA ITEM

The Senates of the three campuses have considered a variety of amendments to the Statutes over the past academic year.

The University Senates Conference has coordinated the various versions of these amendments and has now forwarded the attached texts which represent agreement among the Senates and the University Senates Conference.

I recommend approval of the proposed amendments.

PROPOSED AMENDMENTS¹

Article II, Section 2o

Sec. 2. University Senates Conference

a. Organization. Each Senate shall elect from its membership six persons who shall be members of the University Senates Conference. Any faculty member or member-elect of a Senate shall be eligible for election to the Conference, except that no member shall serve more than two terms consecutively. The term of office shall be three years; one-third of the members from each Senate shall be elected annually. . . .

Article II, Section 3

Sec. 3. Faculty Advisory Committee

Any member of the Faculty Advisory Committee electorate shall be eligible for membership on the committee except those who hold an administrative appointment. Any eligible person may be nominated as a Committee member by a petition signed by three members of the electorate and filed with the Clerk or Secretary of the Senate [prior to April 1]. *The deadline for filing shall be set by each campus Senate.* The Clerk or Secretary of the Senate shall conduct the election by University mail as soon as possible thereafter. . . .

Article XII, Sections 1, 2, 3, and 4

Sec. 1. Sponsored Research, Gifts, and Grants

a. It is the policy of the University to encourage research on the part of all persons and groups within the several faculties. Such encouragement includes the endorsement and support of acceptable proposals for outside contracts or grants.

b. Such outside support must be integrated with the regular educational and research functions of the University. The acceptance of contracts or grants involves substantial indirect costs, Physical Plant operating costs, and the use of departmental, college, and general Uni-

versity facilities. Funds to meet these indirect costs must be provided either by the sponsors or by tax funds. In the latter case, because such activities come into direct competition for funds with other interests within the University, careful consideration shall be given the acceptance of such contracts.

[c. Rules governing the acceptance of contracts for research, of gifts, and of grants, are contained in the "General Rules Concerning University Organization and Procedure."]

Sec. 2. Patents on Inventions

[The principle is recognized that the results of experimental work carried on by or under the direction of the members of the staff of the University.] *The results of research or development carried on at the University by any of its faculty, employees, students, or other users of its facilities and having the expenses thereof paid from University funds or from funds under the control of the University, belong to the University and [should be] are to be used and controlled in ways to produce the greatest benefit to the University and to the public.*

[Any member of the staff of the University who has made an invention as the direct result of his regular duties on University time and at University expense.] *An inventor whose discovery or invention is subject to the conditions of the previous paragraph is required to disclose the discovery or invention to the University and may be required to patent the discovery or invention, and to assign the patent to the University, the expenses connected therewith to be borne by the University.*

[The above shall not be construed to include] *This section shall not apply to questions of ownership [in copyrights on books, or] of inventions made by members of the staff outside of their regular duties, and [at their own expense] without the use of University funds or funds under the control of the University, and without the use of University facilities.*

[The rules and regulations regarding patents and the procedures to be followed are contained in the General Rules Concerning University Organization and Procedure.]

Sec. 3. Scientific and Scholarly Publications and Creative Work

It is the policy of the University to foster the publication of scientific and scholarly periodicals which are edited, published, and subsidized by the University. *It is further the policy of the University that authors and*

¹ New material is italicized or underscored; deleted material is in brackets.

artists who are members of the academic ranks recognized in Article IX, Section 3, may copyright their works except works specifically commissioned by the University in writing and works prepared under terms of a University grant or contract which provides otherwise. [Rules governing the sponsoring of such periodicals, and copyrights and recordings, are contained in The General Rules Concerning University Organization and Procedure.]

Sec. 4. Rules About Research, Patents, and Publications

"The General Rules Concerning University Organization and Procedure" shall contain rules and regulations governing patents, copyrightable works, recordings, sponsored periodicals, and the acceptance of contracts, gifts, and grants for research, and the procedures to be followed.

Proposed changes in these General Rules related to patents, copyrightable works, or recordings shall be sent to the University Senates Conference which shall move as expeditiously as practicable and, if necessary, reconcile the views of the several Senates and advise the President

and, through the President, the Board of Trustees before such a rule change is adopted.

Article IX, Section 7

No person shall be admitted to candidacy for an advanced degree [on] in a [campus] department or division of the University [if he] who holds an appointment as professor, associate professor, or assistant professor in [any] that department or division. [of that campus of the University. Any] Likewise, no person while engaged in graduate study [who accepts an appointment with] shall be appointed to the rank of assistant professor or higher [at a campus of the University will be dropped as a degree candidate at that campus of the University.] in the department or division of that graduate study.

A person in or accepting the rank of assistant professor or higher on a campus of the University may continue in or be admitted to advanced degree candidacy in a department or unit other than that of his or her appointment upon the special approval of the executive officer of each department or unit involved and the Executive Committee of the Graduate College.





UNIVERSITY OF ILLINOIS-URBANA



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